

and Protest

(Hence serving as translator) explained the history of the music, the dozens of marathon four-hour concerts he performs annually and the book he was completing on classical music, the first of its kind.

"Music is one of the most important parts of Uighur culture," he said. "People here can wear American T-shirts, but their hearts stay the same. The music, because it's such a symbol of the heart, changes slowly."

Nonetheless, Heet has been changing the music. Influenced by Persian, Arabic and Turkish music, Uighur songs are as vibrant as they are complex, soaring and dipping along the Arabic scale known as the *maqam* and helping to give the Xinjiang region the nickname "the land of song and dance."

Generally thought to have been brought to the area in the ninth century, Uighur music wound up when it became a favorite among Tang emperors.

One of the highlights of Heet's latest recording and first CD, "Heritage," is a song called "Rooster," a story about a rooster awaking his people from darkness to welcome a new dawn.

"The government hasn't said anything to me about the political songs yet," he said, "so I don't know if I have a problem."

That night, Heet brought us to a local tea house, where he sat in the back room, door shut to prevent the sound of the restaurant's one-man synthesizer band from leaking in.

After dinner, Heet found a date in the restaurant. It was warped out of tune. But when his fingers started sliding and twiddling with heavy-metal speed up and down the long neck, the instrument's defects seemed to disappear.

Wailed rooster-voiced lyrics reverberated, the strings crackled brightly beneath his fingers, up-tempo melodies flowed out of the door. Heet went on for minutes, or hours; it was hard to tell. For a moment, Kashgar was one, keeping time to a single clock, the durr.

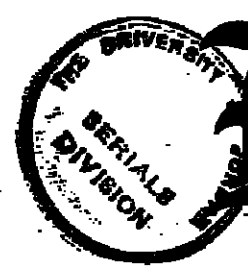
The English Shakespeare Company is presenting a "Richard III" featuring a babyish Richard with an angry teddy bear. There is the *Compte Chaudigari*, "Yerma," a Lorca tale relocated from Spain to a Punjab village in India. There are a few of the *Shakespeare* in theater, music, dance film to be seen beginning Friday at Festival of Perth in Australia.

Enter Laughing

The departed from the British actor-comedian known for his *Spinal Tap* and *Fawlty Towers*, he has been a *Compte Chaudigari* at the University of Cambridge. Cleave gave his new title, *Compte Chaudigari*, provided that you call out to him about 1,200 students.

By A. D. White professor at large — a program of the *Shakespeare* in theater, music, dance film to be seen beginning Friday at Festival of Perth in Australia.

Professor than an earl or a duke," he joked. "I think that we should move this to the office."



Herald Tribune

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Salaryman vs. the Yankee Invader

Once-Sure Jobs at Risk as Ailing Japanese Firms Sell to U.S. Ones

By Sandra Sugawara
Washington Post Service

TOKYO — The ominous warnings are everywhere — in Japanese magazines, best-selling books and popular television shows: The American boss is coming and your life will never be the same.

Consider Sara Stanton, Japan's fictional vision of an American boss — aggressive, impersonal and obsessed with profits. "Performance is everything," Ms. Stanton declares in a prime-time television melodrama. The plot: a U.S. company acquires a Japanese bank. Despite years of loyal service, the Japanese employees receive an ultimatum from Ms. Stanton: Bring in new business or risk being fired.

Real American bosses presumably would deliver the message with more finesse. Nevertheless, as ailing Japanese financial companies sell out to American ones and corporate pillars such as Nissan Motors Co. seek foreign investors, these messages are seeping into the once-insulated Japanese workplace.

The defining theme of the Japanese economic system — protecting jobs — is being undercut by global economic forces. Overnight, Japanese employees have been catapulted from a secure world of lifetime jobs and guaranteed raises to

Tokyo urges U.S. to buy Japanese bonds. Page 11.

a potentially scary, yet for some workers exhilarating, world of mega-bonuses, faster advancements and abrupt firings.

Japanese companies, financially drained after years of sacrificing profits to protect employees, are experimenting with similar changes. But Japanese bosses, conditioned for years to think of employees as family and friends, are trying to phase in employment changes gradually. In contrast, American firms swooping in to take over distressed firms often have no such patience or inclination.

See JAPAN, Page 4



Chancellor Gerhard Schröder before a party meeting Tuesday.

Jobless Toll Adds To Stress in Bonn

Schroeder Also Is Facing Demands by Militant Union

By John Schmid
International Herald Tribune

FRANKFURT — Germany's slowing economy has pushed unemployment back up to 11.5 percent, officials reported Tuesday, putting renewed pressure on the government of Chancellor Gerhard Schröder just days after an electoral defeat reduced its room to maneuver.

Europe's biggest economy faced another potential setback as the militant IG Metall union edged closer to an industrial strike. Germany's biggest union late Tuesday said that contract talks had collapsed, opening the way for a strike ballot of its 2.7 million members as soon as next week.

The prospect of either a strike or an expensive wage settlement could deal another blow to Mr. Schröder by imperiling his roundtable consensus talks with unions and industry, meant to find a common front to fight unemployment.

The union, which counts autoworkers among its members, canceled all remaining bargaining dates and said its leaders formally planned Thursday to declare the talks a failure. Keeping up pressure on industry, 82,000 workers laid down tools Tuesday and staged protests at nearly 300 plants across Germany.

The Federal Labor Office reported that the number of unemployed people jumped to 4.45 million in January, the third consecutive monthly increase, from 4.197 million in December. That pushed January's jobless rate up to 11.5 percent from 10.9 percent in December, the agency said. The jobless toll rose to 18.9 percent in Eastern Germany, and to 9.7 percent in the West.

With little more than 100 days in office, Chancellor Schröder's coalition government of Social Democrats and Greens saw its authority undermined this week by a surprise defeat for its political allies in an election in the state of Hesse. That loss will not only remove Hesse's leftist coalition from the statehouse but from the Bundestag as well, shifting the majority in the upper house to the opposition conservatives.

The Bundestag, which represents Germany's 16 states, can now block legislation, potentially creating political gridlock, with clashing ideologies in each chamber.

After Mr. Schröder won the September election on a pledge to fight unemployment, January's precipitous rise in unemployment refocused attention on Bonn's most urgent domestic issue.

"The directionless politics of Schröder's government has left deep imprints on the jobs market, too, after 100 days," said Hermann Kues, deputy opposition leader for the Christian Democrats in the Bundestag, the lower chamber.

In the wake of the latest jobs figures, "there is now enormous pressure on this government," said Thomas Mayer, senior economist in Frankfurt for Goldman, Sachs & Co.

Although unemployment always rises in winter for seasonal reasons, the president of the Federal Labor Office, Bernhard Jagoda, said that sluggish economic conditions contributed to January's figures. Mr. Jagoda said he "could not rule out that the current weak phase in the economy will have an effect on the jobs market."

The alarming jump in unemployment obscured some small signs of optimism. After statistical adjustments to strip out seasonal trends, unemployment fell by a deeper than expected 59,000 compared to December to a seasonally adjusted 4.092 million. That pushed the adjusted jobless quota marginally lower to 10.6 percent from 10.7 percent.

Final Debate On Clinton To Be Held In Secret

By Brian Knowlton
Washington Post Service

WASHINGTON — The impeachment trial of President Bill Clinton entered its final phase on Tuesday as senators voted to hold their final deliberations in secret, but with little doubt now that they will vote later this week to acquit him.

A motion to hold the debate before television cameras and the public failed by a vote of 59 to 41, eight votes short of the two-thirds required. All but one of the 45 Democrats voted for open debate. Republicans opposed it by 41 to 14.

There was little expectation that many minds would be changed by the senators' comments behind closed doors, which came at the close of a grueling five-week trial in which the central arguments of each side have been heard, rehearsed and heard again.

The majority leader, Senator Trent Lott, Republican of Mississippi, said

What did it all add up to? Page 3.

that each member would have up to 15 minutes to speak, which could take the Senate to late Thursday or early Friday.

But he gently reminded senators that "Lincoln gave his Gettysburg Address in less than three minutes." The Mississippi senator has said that he wants to complete the trial by Friday, when the Senate is to begin a one-week recess.

Nor did senators' intentions appear to have been influenced by the closing arguments Monday of Mr. Clinton's lead attorney, Charles Ruff, or the 13 House "managers," who continued to push, clearly with a sense of imminent defeat, for the president's removal from office.

There appears to be virtually no chance the 67 votes required for conviction will be obtained on the perjury or obstruction of justice counts facing Mr. Clinton. The precise contours of opinion in the chamber, however, will remain unclear until the final votes on Thursday or Friday.

Senators continued, meanwhile, to search for an alternative to removing Mr. Clinton from office, working on the language of a censure or rebuke that might win bipartisan support after the trial ends.

Several Democrats and a handful of Republicans had lobbied for the deliberations to take place before the public eye.

"I want Congress in the future who have to deal with this," said Senator Kay Bailey Hutchison, Republican of Texas, "to have the precedent for how we come to this decision."

But some other Republicans have said that they fear Democrats would use open debate to launch political attacks on the House prosecutors and the independent counsel, Kenneth Starr.

Mr. Clinton returned to Washington early Tuesday after attending the funeral of King Hussein in Amman.

Some in Washington were already beginning to look beyond the trial. Even the 13 prosecutors, their work over, were turning back to House business.

Representative Dennis Hastert of

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Newstand Prices	
Andorra	10.00 FF
Antilles	12.50 FF
Cameroun	1.600 CFA
Egypt	10.00 FF
France	10.00 FF
Gabon	1.100 CFA
Italy	3.000 Lire
Ivory Coast	1.250 CFA
Kuwait	700 Fils
Lebanon	11.300
Morocco	16 DH
Oman	10.00 QR
Réunion	12.50 FF
Saudi Arabia	10 SR
Senegal	1.100 CFA
Spain	250 Ptas
Tunisia	1.250 Din
U.A.E.	10.00 Dh
U.S. MIL (Eur)	\$1.20



Former Prime Minister Laurent Fabius arriving at the special trial Tuesday in Paris.

3 Ex-Ministers Go on Trial in Paris

Court Hears Manslaughter Charges Over AIDS-Tainted Transfusions

By Craig R. Whitney
New York Times Service

PARIS — France put three former government ministers on trial Tuesday on charges of manslaughter and criminal negligence in a blood-transfusion scandal, a proceeding as politically charged as President Bill Clinton's impeachment trial in the United States.

Former Prime Minister Laurent Fabius and two health ministers who served under him between 1984 and 1986 denied the charges when they appeared Tuesday before a specially constituted tribunal, the Court of Justice of the Republic, the first since World War II to try ministers for crimes allegedly committed in office.

The three are accused of involuntary homicide, the equivalent of man-

slaughter, and "involuntarily attacking the physical integrity of others" in the cases of seven people who contracted AIDS after receiving blood containing the virus from government stocks in the mid-1980s. About 4,400 people were infected with the virus in the scandal, and about 40 percent have since died.

Mr. Fabius and the two other former ministers contested all the charges Tuesday, including the accusation that they delayed testing of blood for the AIDS virus in order to give a French-designed test a chance to compete commercially with an American-made one that was available months earlier.

"I hope this necessary trial will allow us to establish that from what we knew, we acted in good conscience," Mr. Fabius said in a statement to the court, which has no permanent build-

ing and sat for the first time Tuesday in a state-run conference center near the Arc de Triomphe.

Georgina Dufoux, who was minister of social affairs, and Edmond Herve, secretary of state for health in Mr. Fabius's government, also made statements disputing charges that they had delayed action for commercial reasons.

Mrs. Dufoux and Mr. Herve are charged with letting unsterilized blood and blood products remain in stocks used to treat hemophiliacs for several months in 1985 even though they allegedly knew that the untreated products could be infected with the virus. The two will also answer to charges of negligence in enforcing health regulations on screening donors

See FRANCE, Page 5

Beijing Pulls Back in Hong Kong Rift

By Philip Segal
International Herald Tribune

HONG KONG — China sought Tuesday to cool down what has threatened to become Hong Kong's first constitutional crisis since the territory was returned to Chinese rule in 1997.

The new dispute represented the second time in a month that the integrity of Hong Kong's legal system has come under question.

In what appeared to be an unprecedented challenge to Hong Kong's legal and judicial independence, a Chinese cabinet official in Beijing spoke out Monday to denounce a Hong Kong

court ruling last month on immigration from the mainland, labeling it a mistake that violated the Basic Law, the former British territory's postcolonial constitution.

The comment set off a storm of protests in Hong Kong and warnings by investors that China should not tamper with the rule of law here.

On Tuesday, the Foreign Ministry in Beijing sought to repair the damage.

"The central government has unwaveringly implemented the 'one country, two systems' policy in Hong Kong," a ministry spokeswoman, Zhang Qiyue, stressed at a news briefing. "On this issue, there is no change at all."

Immediately at issue is the independence of this former British colony's Common Law system, which is supposed to operate independently of China in most areas except for defense and foreign affairs.

From the time China resumed sovereignty over Hong Kong, most people here, including politicians most wary of Beijing, generally agreed that China had kept its promise to stay out of Hong Kong's internal affairs.

But with Beijing's declaration that a landmark ruling by Hong Kong's highest court "should be changed," one

See HONG KONG, Page 4

See GERMANY, Page 6

From Prison Cells, an Alliance for a New Era

By Thomas Fuller
International Herald Tribune

KUALA LUMPUR — When they both had their liberty, when they had power and meteoric careers, rarely were their names mentioned in the same breath. But today, from inside their spartan prison cells, Anwar Ibrahim and Lim Guan Eng have found a bond, solace for two fallen politicians.

They exchange letters — one each so far — about legal reform and their shared vision for the country's future, a far cry from the days when discussing such matters together in public would have been a major political liability.

Their letters have been distributed among social activists and members of the political opposition, people who hope that the correspondence provides, in a small way, the antecedents of a new era of politics in Malaysia.

"Through it all, despite our differences, I sense that we both share the same reforming zeal — reforming the political system to make government more accountable, to make democracy more participatory and make our

Malaysia Politicians Bond In Their Zeal for Reform

political culture more ethical and moral," Mr. Lim wrote to Mr. Anwar last month.

Mr. Anwar wrote: "I am sure that you are aware that since our misfortunes, even housewives

Judge orders Anwar to keep politics out of his defense. Page 4.

schoolchildren have begun to question whether there is democracy and justice in Malaysia."

In the days when they were free, Anwar Ibrahim and Lim Guan Eng had ambitions and careers as different as their Malay and Chinese ethnic backgrounds.

Mr. Lim was a feisty social activist, considered by many to be the most articulate government critic, challenging the leadership openly and often. Mr. Anwar was a portrait of the establishment, the heir to the top job in

government before he fell out of favor with his boss, Prime Minister Mahathir bin Mohamad.

Mr. Lim writes his letters from a 3-meter-by-2.5-meter cell. There are no country-club prisons in Malaysia's penal system. Common criminals are warded side by side with members of Parliament. Prisoners are given a blanket and sleep on the concrete floor or with a thin mattress.

Mr. Anwar, who is under medication for a stomach ailment, is being kept in the medical ward of a prison a few dozen kilometers away.

Mr. Lim writes about the "Great Divide of race and religion" in Malaysia and looks to the day when political parties in the country will no longer be based on ethnicity. Mr. Anwar writes about the "oppressive" powers of the political elite: "Our forefathers fought against colonial power for freedom and justice and NOT to be replaced by indigenous oppressors. It's quite paradoxical for the so-called ardent nationalists to use the same draconian colonial laws to stifle dissent and opposition."

See ANWAR, Page 4



Lim Guan Eng being led away to begin his jail term.

The Dollar			
	Tuesday 9:45 A.M.	previous close	
New York			
Euro	1.1306	1.1322	
Pound	1.6375	1.6399	
Yen	114.125	114.545	
DM	1.7301	1.7273	
FF	5.8024	5.7932	
Dollars per pound and per euro:			
The Dow			
	Tuesday close	percent change	
158.08	9,133.03	-1.70%	
27.53	1,216.14	-2.22%	
94.12	2,310.80	-3.91%	

AGENDA

Salt Lake Blames 2 Olympic Aides

The top two officials of Salt Lake City's Olympic bid were condemned Tuesday by an internal ethics investigation into the biggest corruption scandal in the history of the games.

The report, more than 300 pages long, primarily targeted Tom Welch, who directed Salt Lake's successful bid for the 2002 Winter Olympics, and Dave Johnson, his top lieutenant, accusing them of hidden payments and deceptive practices.

Both men, who are no longer with the Salt Lake City committee, have denied wrongdoing. Page 18.

'Shakespeare' Tops Oscar Nominations

"Shakespeare in Love," a romantic comedy, snared 13 Oscar nominations Tuesday, gearing up to do battle for Hollywood's best picture of 1998 with the World War II epic "Saving Private Ryan," with 11 nominations. "Life Is Beautiful," "Elizabeth" and "The Thin Red Line." "Life Is Beautiful" also was nominated as best foreign language film.

The Oscars will be awarded in Los Angeles on March 21. Page 20.

U.S. Warns Serbs On Peacekeepers

WASHINGTON (Reuters) — Yugoslavia would be making a "big mistake" if it refused to allow foreign peacekeepers into Kosovo and could trigger NATO air strikes as a result, the United States said on Tuesday.

A State Department aide spoke after Serbs had said they would not allow foreign peacekeeping troops into Kosovo under any terms, and won strong backing from Greece, a NATO member and also a neighbor in the troubled Balkans. Page 5.

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THE AMERICAS

The Upshot: A Case Full of Trivia and Lacking in Evidence

By Ruth Marcus
Washington Post Service

WASHINGTON — In the five months since Kenneth Starr's report triggered the impeachment proceedings against President Bill Clinton, the facts have been endlessly reshaped, the gaps in the evidence stitched together and picked apart, the constitution's framers invoked to endorse both prosecution and defense.

Yet, the essential riddle presented by the charges against Mr. Clinton remains: The House managers offer the Senate a perjury case that is at its most convincing when it is also most trivial, and an obstruction case that portrays the president in a disturbing light but that is ultimately

founded on dueling accounts and disputed inferences.

So it went in the closing hours of the case, as both sides presented their final arguments in one of the strangest legal proceedings in the annals of American law, a trial by video snippets that was all

NEWS ANALYSIS

argument and no evidence, unfiltered by one side or another.

With the trial straggling to a seemingly foregone conclusion of acquittal, the managers have as their strongest argument that Mr. Clinton committed perjury on the most pivotal topics. However serious it may be to contemplate that a president lied under oath to a federal grand jury, removing him from of-

fice seems to many senators a grossly disproportionate response to lies about precisely where Mr. Clinton touched Monica Lewinsky or what month their dalliance began.

In other instances, the evidence on the perjury charge hardly seems to offer conclusive proof — for example, of whether Mr. Clinton was paying attention when his lawyer recited false information at the Paula Jones deposition and whether he came up with his strained understanding of the definition of "sexual relations" on the spot at the deposition or only concocted it after the fact.

All of that may have contributed to the House managers' decision to play down the perjury charges during the Senate trial and concentrate

on the more alarming but still flawed case that Mr. Clinton obstructed justice in trying to cover up his relationship with Ms. Lewinsky.

The obstruction case presents a scenario that is deeply troubling but at the same time contested and highly circumstantial.

For example, the allegation that Mr. Clinton obstructed justice by arranging for the return of gifts that he gave to Ms. Lewinsky and that were subpoenaed in the Jones lawsuit requires senators to decide between Ms. Lewinsky and the president's secretary, Betty Currie, about who initiated the gift retrieval and to infer, even if they credit Ms. Lewinsky's detailed story over Mrs. Currie's hazy recollection, that Mr.

Clinton orchestrated it.

Consequently, the obstruction charge presents a somewhat shaky platform on which to erect the case that senators should oust a popularly elected — and still hugely popular — president.

In making their cases, neither prosecution nor defense was dealt a particularly attractive hand.

House prosecutors were plagued by frustrating gaps in the evidence and damaged by the failures and omissions of the lawyers who had gone before them. In particular, they were hobbled by the botched deposition of Mr. Clinton in the Jones case, where the lawyers failed to nail down presidential evasions and most significantly, refused to ask Mr. Clinton directly what exactly he did with Ms. Lewinsky. Instead, they used a convoluted definition of sex that allowed the president to argue later that he was telling the truth under his tortured understanding of the term.

The managers sustained another injury to their case when the House rejected the article of impeachment accusing Mr. Clinton of lying at the deposition. And although the managers sought to resurrect those charges by saying Mr. Clinton lied before the grand jury when he said he told the truth at the Jones deposition, they had a scanty transcript on which to hang that perjury charge.

For example, Mr. Starr's prosecutors did not directly ask Mr. Clinton during their grand jury session whether he told the truth at the deposition when he told lawyers for Ms. Jones that he was never alone with Ms. Lewinsky, an omission that made the managers' task more difficult and was a matter of no small relief to Mr. Clinton's lawyers.

The managers were also undercut by the immutable fact that the key witnesses in their case against the president — Mrs. Currie, Vernon Jordan Jr. and to some extent Ms. Lewinsky herself — were committed to seeing him remain in office and that their testimony was, as Representative Edward Bryant, Republican of Tennessee, said of Ms. Lewinsky last week, "very guarded in each response and almost protective" of the president.

Finally, the prosecutors were hamstrung by the House's failure to conduct at the impeachment stage — and the Senate's consequent unwillingness to provide at trial — the kind of full factual development that might have filled in some of the perplexing holes and convinced wavering jurors.

POLITICAL NOTES

Dole Cites Her Conservatism

MANCHESTER, New Hampshire — In her first speech as a possible contender for the Republican presidential nomination, Elizabeth Dole recalled her three decades of public service as proof that she is a good-hearted but firm conservative who could restore integrity to the U.S. government.

"There's been a little speculation that I might run for president," Mrs. Dole said Monday before a dinner crowd of the Greater Manchester Chamber of Commerce. "And if I run, this will be an important reason why: Because the United States of America deserves a government worthy of her people."

Addressing critics who contend that she has never had to take stands on issues, Mrs. Dole said improving public education was her top priority and cast herself as a Reagan-style Republican who favored lower taxes, returning control to local government and strengthening the military. "Reagan conservatism wore a smile, and it was contagious," said Mrs. Dole, who resigned as president of the American Red Cross to explore running for president. "It imagined the good in everyone, and brought out the best in millions. It was optimistic, futuristic." (NYT)

Quote/Unquote

And now let us all take our place in history on the side of honor, and, oh, yes, let right be done.

— HENRY HYDE, the chief House prosecutor. Would it put at risk the liberties of the people to retain the president in office? Putting aside partisan animus, if you can honestly say that it would not, that those liberties are safe in his hands, then you must vote to acquit.

— CHARLES RUFF, White House counsel

Away From Politics

• Two in every five women and about a third of all men in the United States suffer sexual dysfunctions ranging from lack of desire to inability to reach orgasm, according to a University of Chicago study. (Reuters)

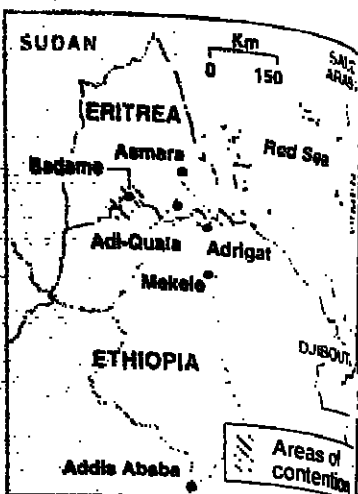
• Eli Lilly and Co. said in Washington it had introduced a series of new easy-to-use insulin pens for diabetics after receiving Food and Drug Administration approval. The pens would make it easy for patients to give themselves doses anywhere and at any time. (Reuters)

• The U.S. Air Force said it would spend \$54 million on television ads to try to bolster enlistment. (AP)

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me Heats Up
ia and Eritrea

Avalanches Hit French Chalets In Wide Storm

PARIS — Avalanches buried chalets on Tuesday just north of the resort of Chamonix in the French Alps, killing two people, the police said. Five others were listed as missing.

About 200 rescue workers, using sensors and others with dogs, were searching for any victims trapped under the snow.

Services were canceled between Chamonix and St. Gervais because of avalanches. Several high roads were closed and people were urged to remain indoors.

It was part of a cold snap and heavy snowfall throughout much of Europe, and in some areas, the snow was so deep that the police and weather service said.

Yvonne Davidson, 54, died when she slipped and fell on an icy sidewalk near Chamonix, the police said. It was unclear whether she died instantly or lost consciousness and to death.

Heavy snow in Switzerland paralyzed the country's main airport, Zurich-Kloten, where only four planes were able to take off.

The Swiss-French airport is a busy hub for airlines flying to and from the Alps.

Employees called in sick because of the weather, and the national operator Swissair said.

Between 80 and 100 centimeters and 40 inches of snow fell in the mountains, increasing the risk of avalanches.

In the canton of Valais, avalanches came crashing down in three places. One buried six chalets in La Forêt. The police said they believed no one was trapped.

Swiss and French troops were sent to the area to help with the rescue efforts. Many late arrivals. A train derailed in France, eastern France, there were reports of injuries.

Bedtime for Bongo

If Acquitted, Clinton Will Not Exult

By James Bennet
New York Times Service

WASHINGTON — President Bill Clinton will bang no bongo drum.

When his impeachment trial ends — probably later this week and almost certainly in acquittal — Mr. Clinton will not surround himself with grinning Democrats and declare himself exonerated, his aides say.

And, notwithstanding any past exuberance by this serial political escapist, count on this: He will not be glimpsed in public during the weekend chewing a cigar.

With Republican congressmen fretting that Mr. Clinton will ballyhoo the outcome of his trial, his aides have begun debating whether he should say anything at all after the Senate votes on two articles of impeachment.

That debate is a proxy for a broader discussion over how Mr. Clinton should act in public — and govern — when the trial ends, but while the cloud of impeachment, lies and proven dishonesty lingers.

Joe Lockhart, the president's spokesman, has declared the White House a "gloat-free zone," and he insisted that no one would feel jolly, only relieved.

"There's nothing to celebrate here," Paul Begala, the president's counselor, said Monday. "Saying that you win this is like saying you win an earthquake. You survive it."

And you rebuild." But some Clinton advisers are bemoaning two trips the president plans to make shortly after the expected vote — first to Mexico ("All right, tequila!" declared one adviser, doing a passable Clinton imitation) and then to New Hampshire to rally Democrats.

No matter what the president says or does, some aides believe, critics will complain that he does not seem contrite enough.

"What can he do?" a senior aide asked, insisting that Mr. Clinton recognized the error of his ways. "It's almost as if people want him to curl up in a ball and be catatonic."

Another aide, speaking on condition of anonymity, said: "We're just going to get pounded. There's nothing we can do about it. And we're probably going to drop in the polls, too, because a lot of the people who are for us now just hate what's going on."

The image of Mr. Clinton as snickering scapegrace, reveling like Bugs Bunny in the flummoxing of his pursuers, has become embedded not only in Congress but also in the popular culture.

"This is not a gloating dance!" an actor portraying Mr. Clinton insisted last weekend on the NBC television program "Saturday Night Live," as a comedian playing his secretary, Betty Currie, boogied in the Oval Office. "It is a serious dance of soul-searching and contrition."

As usual, Mr. Clinton has no one



Linda Tripp Sets TV Interviews

The Associated Press

NEW YORK — Linda Tripp, whose conversations with Monica Lewinsky sparked President Bill Clinton's impeachment crisis, has agreed to interviews with NBC's "Today" show and CNN's "Larry King Live." The taped NBC interview will be shown Friday morning; the live CNN interview will air during prime time Monday.

to blame but himself, or his Republican critics, depending on one's point of view.

Last April, after a federal judge threw out Paula Jones's sexual misconduct lawsuit against the president, he was photographed through a hotel window in Dakar, Senegal, with an unlit cigar in his mouth and a bongo drum in his hands.

The president was just examining native wares as he did some private shopping, aides said. But the drum has become a metaphor, often invoked these days on Capitol Hill, for Clintonian gloating.

Senate Republicans and even some Democrats also complain about what they call Mr. Clinton's "pep rally" on the White House lawn after he was impeached on Dec. 19. The president stood before two busloads of applauding Democratic members of Congress to say that he accepted responsibility for what he did wrong in his personal

life but that he intended to serve "until the last hour of the last day" of his term.

The event's tone was actually fairly somber. The conservative American Spectator editorialized this month that it was "more like a wake where sadness was diluted by consternation owing to the corpse's insistence that he be allowed to mix with the bereaved."

Mr. Clinton was trying to underscore the partisan nature of the split impeachment vote in the House of Representatives. He also wanted to demonstrate that he had political support against the argument that because he had been impeached, he should resign.

The president's aides charge that Republicans are misrepresenting the lawn event as a pep rally so they can build support for a strong censure resolution, even though some Democrats have taken the same view.

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ASIA/PACIFIC

Keep Politics Out of It, Judge Orders Anwar

By Mark Landler
New York Times Service

KUALA LUMPUR — For a few brief moments in a courtroom here Tuesday, Anwar Ibrahim provided a rare glimpse into the debates that raged in the Malaysian capital last year as the Asian financial crisis devastated the country's currency and threatened its economy.

Testifying for the second day in his sex and corruption trial, Mr. Anwar, the former deputy prime minister, said that he and his boss, Prime Minister Mahathir bin Mohamad, had major differences about how to respond to the "financial convulsion engulfing the region."

Mr. Anwar said that during this period of escalating tension, the police had initiated an aggressive investigation into his personal life.

But before Mr. Anwar could elaborate, the judge cut him off, declaring that Mr. Anwar could not cite evidence of a political conspiracy to defend himself from charges that he had abused his authority. The ruling by Judge Augustine Paul knocked out a central plank of Mr. Anwar's defense and leaves his legal prospects looking bleak.

Mr. Anwar, who was ousted and imprisoned in September, contends that the corruption and sex-related charges against him were trumped up by his political enemies following bitter policy disputes with Mr. Mahathir.

"A political conspiracy, if any, against the accused is not relevant," said the judge, rejecting an impassioned plea by Mr. Anwar's lead lawyer.

Political analysts and lawyers here said the ruling was a potentially grievous setback because the trial is as much a political battle as a criminal case. If Mr. Anwar is not allowed to discuss the conduct of Mr. Mahathir and other Malaysian officials, they said, he will have to defend himself against narrow charges that he sought to quash a police investigation.

"They would have preferred to have

the conspiracy included because Anwar would have had a lot to say," said C.V. Prabhakaran, a lawyer who sat in on the hearing as a representative of one of the defense witnesses. Asked whether Mr. Anwar's lawyers could marshal an effective defense in light of the ruling, he said, "Looks like no more."

Mr. Anwar's lawyers insisted that their client still had a case. They said they would use other avenues to publicize the information that Mr. Anwar was prepared to discuss on the witness stand.

"If we can't show it to the court, we'll show it to the people," said Gurbachan Singh, one of Mr. Anwar's attorneys.

But in this country of tightly controlled news media, getting Mr. Anwar's message out is not easy. While local newspapers carry ample coverage of the trial, they tend to dwell on the lurid nature of the charges against him.

Indeed, the prosecution has been able to wage a powerful campaign in the court of public opinion. The charges against Mr. Anwar originally linked his purported cover-up attempts with his alleged sexual misconduct. For weeks, the prosecution ostentatiously displayed in the courtroom a mattress that they said contained semen stains from Mr. Anwar.

After the prosecution wrapped up its case two weeks ago, the judge amended the charges to drop the alleged sexual misconduct. As a result, the government now has only to prove that Mr. Anwar meddled in the police investigation. It also means Mr. Anwar's lawyers cannot challenge the sex charges.

The sex case against Mr. Anwar seemed to be weakening in any event. On Tuesday, one of the five men allegedly sodomized by Mr. Anwar retracted his statement. The man, Mior Abdul Razak, said he had been "forced and threatened by the police after his arrest" to make false statements. Two of the other five men also retracted claims that they were sodomized by Mr. Anwar, while a third has given conflicting testimony.



Octavio Soares, an East Timorese student activist, center, arguing with a bystander during an anti-independence demonstration Tuesday.

Student-Police Scuffle in Jakarta

The Associated Press

JAKARTA — Anti-riot officers detained at least 40 student protesters Tuesday who had tried to march to Parliament to demand a trial of former President Suharto. Police and soldiers scuffled with some students as they carried them to two trucks, but there were no injuries. Authorities said they planned to release them after questioning.

About 100 protesters had gathered before security forces broke up the demonstration, saying organizers had no permit to protest. The activists chanted anti-Suharto slogans and said they wanted an investigation of the military's killing of at least nine campus activists during protests for political reform in November.

Rebel Leader to Leave Jail

A prison official announced Tuesday that the jailed East Timorese rebel leader, Xanana Gusmao, will be moved to house arrest. Reuters reported.

Indonesian officials have said that Mr. Gusmao would be allowed to participate in finding a solution for the territory of East Timor, which Indonesia invaded in 1975 and annexed the following year, a move not recognized by the United Nations.

The move is seen as a response to mounting international pressure to release him from prison to smooth efforts to end the dispute over East Timor's future.

New Test for Indonesia

June Elections Offer Promise and Risk

By Michael Richardson
International Herald Tribune

JAKARTA — Despite a deep recession and chronic violence, Indonesia is preparing to hold general elections on June 7 that seem likely to be the freest and fairest since the country's last, short-lived experiment with democracy in 1955.

Yet the very fact that many of the old constraints on political activity have been lifted following the end of 32 years of autocratic rule under former President Suharto in May makes the conduct of the elections and their outcome not only more uncertain but also potentially destabilizing, analysts say.

Adding a new element of controversy to the campaigning that will officially start in May, a leading Indonesian newspaper reported Tuesday that the governing Golkar party is likely to nominate president B.J. Habibie, Mr. Suharto's successor and former protégé, as its candidate in presidential elections in November.

In a speech Tuesday, Mr. Habibie did not confirm that he would be a candidate.

He said he was determined to hold elections that were "as fair and honest as possible," adding that "whoever wins, we must accept them with a big heart."

Although Mr. Habibie has been praised by many foreign governments for his steps to improve human rights and civil liberties in Indonesia since he came to office, he is regarded as a weak and discredited head of state at home.

Opinion polls show he is very unpopular, well behind several prominent opposition leaders.

As a result, some Indonesian analysts say that Mr. Habibie should have announced long ago that he would not be a presidential candidate, thus making it clear that he would be impartial in overseeing the installation of the democratic system that he has promised.

Still, dozens of new political parties began to register Friday for the first time in nearly three decades — a sure sign that they expect the revised political laws adopted by Parliament on Jan. 28 to give them a real chance of gaining power.

After talks with opposition as well as government leaders in Indonesia last week, the U.S. assistant secretary of state for East Asia and Pacific affairs, Stanley Roth, said that while he had heard a few complaints from the opposition camp, "they felt that under this set of laws not only could they compete, but they would compete."

Under Mr. Suharto, only three parties were allowed — Golkar and two "opposition" groups, the Muslim-oriented United Development Party and the Indonesian Democratic Party, encom-

passing former nationalist and Christian parties.

Officials expect more than 140 parties to register for the June elections, although they say only about 30 will qualify for the contest.

Although there may yet be bitter contention, analysts agree that the process for selection of eligible parties, voter registration and the conduct of polling is no longer easy for the government to manipulate in its favor.

"This is an entirely new election, the likes of which we haven't seen in Indonesia since the 1950s," Mr. Roth said.

"You have a free press. You have multiple parties that will have observers all over the country. You have an agreement that there will be international monitors."

Still, many analysts worry that with the economy of the world's fourth most populous nation in crisis, millions of people out of work and living in poverty, widespread ethnic and religious tensions, and the once powerful armed forces unable to keep the peace, the elections could easily degenerate into violence and chaos.

Harry Tjan Silalahi, deputy chairman of the board of directors of the Center for Strategic and International Studies, said there was a risk that competitive elections could rekindle disputes and violence.

"Yet a general election is necessary," he said. "It's the jury for settling political differences and putting in place a legitimate government to run Indonesia for the next five years."

Under Mr. Suharto, Golkar election victories by an overwhelming majority were a foregone conclusion. Now, even Golkar officials concede that the most likely outcome of the June voting will be a coalition government formed by two or more parties.

Agreeing that the era of Golkar dominance had ended, the Indonesian state secretary and presidential spokesman, Akbar Tanjung said in an interview that "we understand that no single party will get 50 percent of the seats in Parliament."

But he said that Golkar expected to get "much support" in the elections, and would be ready to work with other parties to form a workable coalition.

Opposition leaders express similar sentiments. But the historical precedents are not encouraging. In 1955, political squabbling intensified after an election in which no party won a big enough majority to form a government in its own right.

The economy deteriorated. Then President Sukarno and the military took control, ushering in a long period of "guided democracy," a euphemism for the authoritarian rule that Mr. Suharto continued.

Taiwan Hands Over 5 Hijackers of Chinese Airliners to Beijing

Reuters

TAIPEI — Taiwan handed over five paroled Chinese hijackers to the Communist mainland Tuesday in a goodwill gesture seen as easing tensions ahead of a high-level meeting in Taiwan.

Taipei had planned to repatriate nine of the air pirates who have hijacked mainland airliners to the Nationalist-ruled island in the 1990s but held four back after one attacked a Taiwan official while en route back to China.

The nine were flown to Taiwan's fortified island of Jinmen, where five were put on a Chinese Red Cross boat for the short passage to Xiamen, three kilometers (two miles) away.

Taipei described the move in humanitarian terms

as enabling the hijackers to be home for the Feb. 16 Chinese Lunar New Year, even though they would be in custody. None of the nine had served their full prison terms, but all had become eligible for parole.

Plans to return them were seen as a gesture to improve the climate for a visit by a senior mainland envoy to Taiwan, which may take place in April. The visit by Wang Daohan, Beijing's top Taiwan envoy, would reciprocate for a trip to Beijing in October by Koo Chen-fu, a Taiwan official.

In Beijing, Zhang Qiyue, a government spokesman, sidestepped questions about how the hijackers would be treated on their return and called anew for Taipei to hand over five mainland air pirates still imprisoned in Taiwan.

Sixteen mainlanders hijacked 13 airliners to Taiwan from 1993 to 1998, 12 of them in a 1993-94 spate that led to a sweeping overhaul of China's airport security.

Still in Taiwan's custody is Yuan Bin, a pilot who embarrassed Beijing by commandeering his Air China jet with 104 passengers to the island in 1998 to highlight what he said were poor working conditions at the state carrier.

On Saturday, Taipei repatriated two children who had been brought along when their parents hijacked planes.

Because Beijing does not recognize Taiwan's criminal verdicts, the returnees face retrial on the mainland and the probability of even longer prison terms.

LETTERS: Unlikely Correspondents

Continued from Page 1

To be sure, there is more than a good dose of political grandstanding in their letters. But there is also perhaps something more simple: kinship, exchanging letters with someone in the same predicament.

While the age of the Internet and fax machines has humbled the notion of the ordinary letter, in the seclusion of a prison cell, inmates are as pleased to get mail as a homesick child in summer camp.

"They mean very much, very very much," said Syed Husin Ali, a political prisoner for six years in the 1970s, referring to letters in prison. "Every time the warder comes around with mail he will be shouting from a distance, 'Surat! Surat! Surat!' Letters! Letters! Letters!" And everyone will rush to the front of the cell, each waiting eagerly to receive one.

Both men discuss their court cases and the reasons for their incarceration. Mr. Anwar, 51, was dismissed by Prime Minister Mahathir last September and was charged with sodomy and corruption. He has been denied bail.

Mr. Lim, 39, is serving an 18-month term for publishing and distributing a pamphlet that criticized the government. He started his sentence last August.

Taken together, the ordeals of the two men have changed the way Malaysians view their government. Mr. Anwar's arrest led to street protests and a general unease among the often well-traveled, well-educated Malaysian middle class.

"In some ways," Mr. Anwar wrote Mr. Lim, "our incarceration has helped open the eyes of Malaysians to the injustices in our system, and thereby to rouse them from their complacency and encourage them to participate more meaningfully in the political process."

Mr. Lim went to prison after a judge refused to overturn his conviction for printing and distributing a political pamphlet that a lower court had ruled seditious. The pamphlet criticized the government's decision not to press statutory-rape charges against a former senior government official.

The pamphlet questioned why a schoolgirl involved in the scandal — she was 15 at the time — had been detained in the case but not the official, who was then regarded as a protégé of the prime minister's.

After hearing the final ruling, Mr. Lim stood stone-faced in the dock, surrounded by weeping women: his wife, his mother and other family members. He gave his wife everything he would not need in prison — car keys, wallet and suit coat. He placed his national identity card in his shirt breast pocket and turned to face a group of reporters crammed against the wooden railing of the dock.

"I will hold up the handcuffs that will be placed upon me not as a symbol of shame but as a symbol of pride and honor," he said in a quivering voice. "My political career may have been

terminated, but my political struggle will go on." The sentence disqualified Mr. Lim from Parliament for five years from the date of his release. He was handcuffed and led away.

A few weeks after Mr. Lim began his jail term, Mr. Anwar was dismissed, a move that shocked the country. Mr. Anwar was considered the man who would lead Malaysia into the 21st century.

The ousted deputy prime minister fought his dismissal with protests around the country, culminating in a demonstration of tens of thousands of people in the center of Kuala Lumpur. He was arrested and beaten by the police, leaving him badly bruised.

A week later he was charged with sodomy and corruption.

His trial is nearing completion, but there is more to come. "There are other charges against him that have not yet been proffered," Mr. Mahathir said recently. "Whether he is acquitted or not, he will have to face more."

If Mr. Anwar is convicted he might join Mr. Lim at Kajang prison in a similar cell. Mr. Lim seems to think so, anyway.

"Prison authorities here in Kajang are making feverish preparations for your cell even though your trial is still continuing," Mr. Lim wrote Mr. Anwar.

"One is curious," he added, "how they can be so certain of your impending conviction."

Handshake May Show One's Grip on Life

Reuters

CHICAGO — A firm handshake may mean a healthy old age.

Researchers reported on Tuesday that a 25-year study of more than 6,000 Japanese-American men living in Hawaii found that hand grip strength at midlife was a powerful predictor of physical disability in later years.

Hand grip strength has been found to correlate with the strength of other muscle groups and is a good indicator of overall strength, the study said. "Hand grip strength was highly predictive of functional limitations and disability 25 years later," said the study published in this week's issue of the *Journal of the American Medical Association*.

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Anwar Ibrahim being carried on the shoulders of his supporters shortly before he was arrested at his home in Kuala Lumpur last year.

HONG KONG: China Relaxes Its Stand

Continued from Page 1

of the key parts of what has made Hong Kong's relationship with China work until now appeared to be under threat.

"This is potentially the worst news to come out since the British and the Chinese first sat down to discuss the return of Hong Kong," said Martin Lee, the leader of the opposition Democratic Party, Hong Kong's most popular opposition group.

The court ruled last month that the immigration law hastily passed in the first few days of Chinese sovereignty in Hong Kong was unconstitutional, a decision that paved the way for several hundred thousand children in China to immigrate to this territory of 6.5 million people.

If China should get its way and its Parliament overturns the decision of the Hong Kong courts, "then there goes rule of law in Hong Kong," Mr. Lee said.

"This is not a time bomb," he added. "It is the atomic bomb."

Under the Basic Law, the constitution that China drew up for the Hong Kong Special Administrative Region, as it is now known, the Court of Final Appeal has jurisdiction over whether most cases are constitutional.

The Basic Law can be amended, but doing so could open an avenue that Beijing may not want explored, as pro-democracy parties have been calling for amendments to introduce a greater degree of electoral representation in the Legislature.

Leading figures in the business and legal communities called for a quick resolution to stem the growing sense of crisis. The former head of the Securities and Futures Commission, Anthony Neoh, said Tuesday in a newspaper article that the legal controversy over the court decision "could potentially damage the authority of our courts and, in turn, the integrity of our legal system."

Last week, a single statement by the secretary for justice, Elsie Leung, explaining why she refused to prosecute a high-profile publisher with close links to

Beijing, led to a call for a motion of no-confidence in her.

In this case, three senior employees of publisher Sally Aw's English-language newspaper Hong Kong Standard were convicted of conspiracy to defraud, after falsely inflating circulation figures for the paper. The publisher was named a co-conspirator by the Independent Commission Against Corruption but was not charged in the case.

The furor arose when the secretary for justice, Ms. Leung, revealed that one of the reasons she declined to charge the publisher was that a guilty verdict might have been bad for business and could have caused job losses.

The ensuing controversy has thrown open the doors to charges of the kind of cronyism that still predominates in much of the rest of Asia.

"People will say we have a different law for the rich," said Mr. Lee, the Democratic Party leader.

The chairman of the Hong Kong Bar Association, Ronny Tong, said that Ms. Leung's statement would do "immense damage to Hong Kong's image."

In an editorial, the Hong Kong-based South China Morning Post, a competing paper, roasted Ms. Leung's reasoning: "By the same logic, property companies should never be charged with building faulty apartments because any such trial would undermine confidence in an important sector of the economy."

As in the case of the court decision, there is a Beijing connection in Ms. Aw's case. As head of the Sing Tao publishing group, she runs newspapers that support many of China's policies regarding Hong Kong. She has publishing deals in China and she is a member of the Chinese People's Consultative Conference. She is well-connected in Hong Kong, too. The territory's chief executive, Tung Chee-hwa, once served on her company's board of directors.

Ms. Leung, the secretary of justice, has continued to deny that political considerations or personal connections entered into her decision not to prosecute.

BRIEFLY

China Cuts Ties With Macedonia

BEIJING — China severed diplomatic ties with Macedonia on Tuesday over the Balkan state's decision to establish relations with Taiwan, the Xinhua press agency said.

The move threw into question the future of a UN peacekeeping force stationed in Macedonia. A mandate for the UN force, which was deployed to deter the spread of fighting to Macedonia from other parts of the former Yugoslavia, expires Feb. 28.

China, a permanent member of the UN Security Council, has threatened to veto a renewal of the mandate because of Macedonia's ties with Taiwan. China considers Taiwan part of its territory. (Reuters)

U.S. Denies Offer To North Koreans

WASHINGTON — The United States denied Tuesday that it was planning to offer food to famine-stricken North Korea in exchange for permission to visit an underground building site that could be part of a revived nuclear program. "Our policy is to provide food on a humanitarian basis and we do not link it to other issues," a State Department official said.

He added that the World Food Program had sent out an appeal for food aid for North Korea for this year and the United States had not responded to it.

The U.S. response will be based only on an assessment of the humanitarian needs of North Korea, which has suffered several years of famine caused by floods and drought, he added. (Reuters)

Cambodian Chief In China for Talks

BEIJING — Prime Minister Hun Sen of Cambodia arrived in Beijing on Tuesday for talks with Chinese leaders amid speculation on whether China will block international efforts to prosecute Khmer Rouge leaders.

A Foreign Ministry spokeswoman, Zhang Qiyue, did not say whether China would wield its veto power in the UN Security Council to prevent the formation of an international tribunal. Such a tribunal could reveal embarrassing details of China's cooperation with the Khmer Rouge when it ruled Cambodia with terror. (AP)

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Shroeder Set to Ease Stand on Citizenship

INTERNATIONAL

Sudanese Tests Find No Chemical Weapons at Bombed Plant

By James Risen
and David Johnston
New York Times Service

WASHINGTON — Chemists who examined soil, sludge and debris samples from a Sudanese pharmaceutical plant that was destroyed in August by American cruise missiles found no traces of chemical weapon compounds, according to a scientist hired by the owner of the plant.

The findings, though prepared privately for lawyers for the owner, who is now seeking redress from the United States, raise new questions about the government's reliance on tests of soil samples from the site obtained clandestinely by the CIA. American officials had said the samples contained traces of Emptia, a precursor used in the production of deadly VX nerve gas.

The United States attacked the Al Shifa pharmaceutical plant in Khartoum

and suspected terrorist training camps near Khartoum, on Aug. 20 in an effort to curb the activities of the Saudi exile Osama bin Laden after the bombings of two American embassies in East Africa. U.S. officials have said that the bin Laden terrorist network was behind the bombings of the diplomatic missions in Kenya and Tanzania. Mr. bin Laden has denied any role in the bombings.

At the heart of the new evidence are 13 carefully cataloged samples taken from the wrecked plant and its grounds late in October. The sampling project was designed and supervised by Thomas Tullius, chairman of the chemistry department at Boston University.

"The point of what we did was to carefully and scientifically collect samples from a variety of locations and have them analyzed by one of the top laboratories in the world for this kind of work," Mr. Tullius said in an interview.

"What they found was that in those

samples, to the practical limits of scientific detection, there was no Emptia or Empta, its breakdown product."

In response to the new findings, Clinton administration officials said they stood by their decision to strike the plant. The officials dismissed the findings of chemists working on behalf of the plant's owner, Salih Idris, noting that their soil samples were taken long after the United States obtained its soil from the site and long after the bombing and rains could have dispersed incriminating evidence.

Moreover, while acknowledging that they did not know that Mr. Idris owned the plant at the time of the attack, other U.S. officials say they now have strong evidence linking him to Mr. bin Laden.

"We stand by our evidence indicating the presence of a chemical weapons precursor at this plant," said P. J. Crowley, a spokesman for the National Security Council at the White House. "We stand by our evidence linking this plant to

Osama bin Laden's network. We continue to believe that this was an appropriate action to pre-empt Osama bin Laden from further attacks against the United States."

In the study for the owner, several ground locations at the plant were surveyed, along with interior sites in the plant that were covered by debris and partly protected from rain. One location, a septic tank, was found intact and provided what Mr. Tullius said was a historical record of the chemicals flushed through the plant drains.

The lab analysis found that none of the samples contained detectable levels of Emptia, nor did they find Empta, the subsidiary compound into which Empta rapidly breaks down. Empta, Mr. Tullius said, breaks down within days, but Empta remains in the soil, and even in small quantities would be detectable for weeks or months after contact with the ground. In addition to the evaluation of the soil

samples, an international security company, Kroll Associates, was hired by Mr. Idris's lawyers to conduct a detailed review of the Shifa controversy. In their report, made available to The New York Times, Kroll Associates found no evidence of a direct link between Mr. Idris and Mr. bin Laden.

The scientists and investigators were hired by the law firm of Akin, Gump, Strauss, Haner & Feld, which represents Mr. Idris, a Sudanese-born Saudi businessman. The firm has long had a reputation of influence in Democratic circles. But its credentials have not benefited Mr. Idris. The firm's lawyers have been flatly rebuffed in their efforts to present their findings to the White House and several government departments.

"We've been confronted with the problem of proving a series of negatives that there was no Empta at the plant and that Idris was not a terrorist," said Mark MacDougall, a partner at the law firm.

Minister Quits In Iran After Agents Are Tied to Deaths

The Associated Press

TEHRAN — Iran's intelligence minister has resigned, four weeks after his ministry admitted its agents were involved in the killing of five dissidents. Iranian media reported Tuesday, President Mohammed Khatami accepted the resignation of Qorbanali Dorri-Najafabadi, thanking him for his "great efforts and services," the official Tehran radio reported.

The president asked Mr. Dorri-Najafabadi to continue in office until his replacement had been approved by the Parliament, the radio reported.

Mr. Khatami has appointed Ali Yunesi, the chief military prosecutor, to replace Mr. Dorri-Najafabadi, reported the Iran Daily.

In his resignation letter to Mr. Khatami, Mr. Dorri-Najafabadi, 54, said he hoped his resignation would bring about a more suitable atmosphere at the ministry and would not be a pretext for "vindictive enemies and uninformed friends" to harm the ministry.

"The hard-working employees of the Intelligence Ministry did not and will not approve the recent tragic and unfortunate incidents that would make any honorable human being unhappy. I, too, was and am strongly against them and have been saddened by them," Mr. Dorri-Najafabadi said in the letter. The text was broadcast on Tehran radio.

There have been continuing calls for Mr. Dorri-Najafabadi's resignation since his ministry said Jan. 5 that some of its agents had been arrested in connection with a spate of killings of writers and dissidents that began in November.

The murders were followed by "cruel and hostile attacks" by enemies inside and outside Iran against the "country's great intelligence and security apparatus," wrote Mr. Dorri-Najafabadi.

The revelation that staff members at the ministry were behind the killings intensified the rivalry between hard-line and moderate factions in the government.

Both sides, locked in a bitter power struggle, have tried to distance themselves from the killings. The agents behind the killings are widely believed to be supporters of the hard-liners. The Intelligence Ministry is controlled by the hard-line faction.

The government has said that "foreign elements" had masterminded the killings. It denied that senior officials had approved the murders.

The first victims, Dariush Foruhar and his wife, Parvaneh, who belonged to a minor opposition party, were found stabbed to death in their Tehran home on Nov. 22. In the following weeks, the writers Mohammed Jafar Poyyandeh and Mohammed Mokhtari disappeared and their bodies were found dumped on the outskirts of Tehran. A third writer, Majid Sharif, was found dead after disappearing from his home.



Prince Ali, left, and Crown Prince Hamzah, sons of King Hussein, at the Jordanian leader's funeral at Raghadan palace in Amman. At left, a man wiping his eyes after paying his respects to the king's sons.

Jordanians Solemn at Grave Site and Ponder Future

By Douglas Jehl
New York Times Service

AMMAN, Jordan — Thousands of Jordanians from desert camps, urban shacks and sleek, modern villas, made their way to the royal palace on Tuesday to offer sympathy to King Abdullah II and prayers for his late father.

Queen Noor, the widow of King Hussein, and other female members of the royal family prayed separately at the king's grave.

A day after a remarkable state funeral, the pageants on Tuesday were suffused with a personal touch that reflected, in its own way, the emotional bond that since Jordan's creation in 1923 has helped to hold the land together as a kingdom.

"We believe Abdullah will be fine," said Sheikh Samir Aroum, 57, who waited with others from throughout Jordan to meet with the new 37-year-old king in the throne chamber of Raghadan Palace. "This cub is from the lion king."

The events of the day were rooted in tradition — tribal shows of fealty to a monarch, along with calculated modern tributes to a court that, in one way or another, remains Jordan's dominant force.

But they also clearly reflected new grief, as well as a hope that a new generation of kingship might bring fresh attention to problems at home. "The late king, God protect him, was loved by the world," said Khalid Magaib, 28, who was in the crowd. "We know that Abdullah will be loved as well, especially if these hard times can be made lighter."

For most Jordanians, the most immediate concern is unemployment, which economists say has soared to a rate far higher than the official figures of 15 percent.

Most salaries have also remained stagnant, even as inflation has cut deeply into paychecks of government workers.

A sense of pride still echoed in the

words of many Jordanians, from cabinet ministers to Bedouin tribesmen. They took satisfaction not only in the numbers of the statesmen who traveled to the occasion prompted a warm gesture from Syria, a neighbor generally regarded more often as threat than friend.

Not only did President Hafez Assad make a surprise trip to Jordan for the funeral but he was also the first in line to pay tribute to King Abdullah, who was just 8 years old when Mr. Assad took power in a military coup.

Syria and Jordan have been at odds, off and on, even before the new monarch was born.

In 1958, at a time of anti-Western turmoil in the Middle East, Syrian military jets tried to force from the skies an aircraft carrying King Hussein to Europe.

In 1970, Syria ordered troops into Jordan as King Hussein's forces sent Palestinian guerrillas in flight, but it did not intervene.

In 1980, Syria massed its forces along the Jordanian border again, accusing Jordan of supporting a campaign of violence by the Muslim Brotherhood.

And since 1994, when Jordan signed a peace treaty with Israel, relations have been all but frozen by Syria, which has not yet made its peace with the Jewish state and has objected vehemently to the accords signed by other Arabs.

Mr. Assad had not visited Jordan since 1994, and he last met with King Hussein in 1996. But at the state funeral, after passing through the receiving line, he was among those who spoke at length with the new king in the plush gold couches of a royal salon.

From Damascus, Syrian officials have also sent conciliatory gestures, expressing hope that the change of leadership might mark the beginning of a new chapter in the often-strained relationship between the two countries.

On Saturday, as King Hussein lay dying, the Syrian foreign minister,

Farouk Shara, sent an important signal, saying in a lecture in the Syrian capital that the government no longer intended to make much of an issue of the Israel-Jordan peace pact.

Syria remains opposed to the accord, Mr. Shara said, but does not want to see Israeli-Jordanian ties supersede those between Jordan and fellow Arabs.

The Syrian overtures may reflect a softening of the fury felt by Damascus toward the Israeli-Jordanian peace accord.

But more likely, diplomats said Tuesday, it reflects a yet-unsubstantiated hope that a younger, more malleable

new Jordanian ruler might prove less bold than King Hussein, and more inclined to toe a pan-Arab line.

Iraq, which to Jordan is another powerful, sometimes worrying neighbor, has also expressed hope for a change in tone.

The two countries have been bitterly at odds in recent years, since Jordan, having tilted toward Iraq during the Gulf war of 1991, reversed course in 1995.

At that time, the Jordanian government provided asylum to two powerful Baghdad defectors and called for the first time for a change in the Iraqi leadership.

CLINTON: Impeachment Trial Enters Final Stage in Senate

Continued from Page 1

Illinois, the new majority leader, said he hoped to open a new chapter in Republican "often-strained relations with the president."

Asked in a CNN interview whether he was ready to work with Mr. Clinton once the trial is over, Mr. Hastert said: "Absolutely. He's the president of the United States, and the Congress, if we're going to get anything done, has to work with the president."

Senators continued struggling Tuesday over the language of a censure resolution aimed at condemning Mr. Clinton's efforts to conceal his intimate relationship with Monica Lewinsky, the former White House volunteer worker.

A small group of conservative Republicans have declared censure unconstitutional and threatened parliamentary maneuvers to block it. A few liberal Democrats also oppose censure, deeming it unnecessary.

One conservative Republican, Senator Mitch McConnell of Kentucky, put the chances of a vote this week on censure at no better than "50-50."

Another Republican, Senator Larry

Craig of Idaho, referred to censure as "a rose that is beginning to wilt." He said chances were small that senators would consider it before their weeklong recess.

Failure to pass a censure motion this week might doom it, some proponents say. The minority leader, Senator Tom Daschle of South Dakota, insisted that Democrats would return to the issue later if necessary, but some senators said interest will fade quickly once the trial is over. The White House has supported censure as an alternative to impeachment and conviction, but likely would drop that support following an acquittal.

The final arguments Monday appeared aimed more at historians than the 100 senators, who had heard the arguments and seem to have made up their minds.

The House prosecutors, all Republicans, sought to justify their work, which has been unpopular with most Americans, according to opinion polls.

The prosecution team allowed all 13 of its members a chance to speak. The lead prosecutor, Representative Henry Hyde, closed with eloquent, if sometimes scathing remarks.

BRIEFLY

Taleban Won't Tell Bin Laden to Leave

ISLAMABAD — The ruling Taleban said Tuesday that the Saudi dissident Osama bin Laden was free to leave Afghanistan but that he would not be forced out, the Afghan Islamic Press reported.

The decision by the leadership of the Taleban, the Islamic group that controls most of Afghanistan, followed the latest U.S. request for Mr. bin Laden to be expelled, a Taleban spokesman said. The spokesman said the Taleban was still waiting for evidence to support allegations that Mr. bin Laden was a terrorist mastermind.

Mr. bin Laden has been accused by the United States of masterminding the bombings of two U.S. embassies in East Africa last year that killed more than 200 people. (AP)

Commons Assails Arms Scandal

LONDON — The House of Commons delivered a scathing attack on Britain's Foreign Office on Tuesday for allowing British mercenaries to supply arms to Sierra Leone in breach of a UN embargo.

Officials were singled out for their failure to properly brief government ministers on what became known as the "arms-to-Africa" scandal.

Foreign Office mandarins were also said to have selectively interpreted the UN embargo, applying it solely to rebel insurgents and not to the ousted democratically elected government of President Ahmad Tejan Kabbah. This prompted suspicions that ministers covertly condoned the illegal arms sales and supported a counter-coup to restore the exiled government. (AFP)

Settlers Occupy Golan Heights Site

JERUSALEM — Settlers have moved into an abandoned Israeli Army post on the Golan Heights and plan to establish a new settlement there, a settler leader said Tuesday.

A former Defense Ministry official confirmed that the military site was turned over to civilian use but said no approval had yet been given for the creation of a new settlement.

A new Israeli settlement would very likely provoke Syria and make it more difficult to restart peace talks, suspended for the past three years. As a condition for a peace treaty, Syria wants Israel to return the strategic heights it captured in the 1967 Mideast war. (AP)

Mexico Center-Left Makes Gains 2 State Elections Show Growing Popularity for Opposition

By Julia Preston
New York Times Service

MEXICO CITY — Elections for governor in two states over the weekend, the nation's first major voting this year, demonstrate the continuing growth of a left-of-center party that has capitalized on disaffection in the governing party.

The challenger, the Party of the Democratic Revolution, won the top post in Baja California Sur, which includes Los Cabos and other beach resorts. Its candidate, Leonel Cota Montano, trounced his opponent from the governing Institutional Revolutionary Party, 55 percent to 36 percent.

Mr. Cota built his coalition with the help of disgruntled members of the governing party who had hoped to be the party's candidate or to help choose the candidate. They bolted to the Party of the Democratic Revolution when their views were disregarded.

The voting on Sunday was uneventful, with few irregularities reported. The PRI did not challenge Mr. Cota's victory.

Since July 1997, the Party of the Democratic Revolution has won three gubernatorial posts. In Zacatecas and Tlaxcala last year, the party also achieved statewide victories by winning disaffected leaders from the governing party.

In addition, the political leader of the party, Cuauhtemoc Cardenas, won the powerful office of mayor of Mexico City, with official stature equal to a governor.

A few years ago the party, which criticizes market-oriented policies and favors a strong role for the state in the economy and politics, labored under the image of a scrappy opposition that was good at organizing street protests but not at governing.

In the election on Sunday in the southwestern state of Guerrero, the two parties battled to a photo finish. According to official results, with 98 percent of the vote counted at midday Monday, the PRI candidate, Rene Juarez Cisneros, was leading, with 48 percent of the vote, ahead of Felix Salgado Macedonio of the Party of the Democratic Revolution, who had 46.

Although the governing party celebrated, the president of the Party of the Democratic Revolution, Andres Manuel Lopez Obrador, rejected the results as a "government-engineered fraud." He announced that his party would seek to overturn the results and seek a recount.

Mr. Lopez Obrador accused Interior Minister Francisco Labastida Ochoa, a member of the governing party, of rigging the election. Opposition poll watchers in many precincts contended that stalwarts from the governing party had handed out food and bags of cement in exchange for votes.

"The PRI once again trafficked on the poverty of the voters by distributing presents in return for their votes," Mr. Lopez Obrador said.

Officials of the Party of the Democratic Revolution said 17,000 votes had been annulled statewide because of alleged irregularities, enough to tip the count away from their party.

U.S. Rebuts Claim By Iraq Its Troops Downed Patrol Jet

Reuters

WASHINGTON — The United States denied on Tuesday a report from Iraq that its forces had shot down a U.S. military plane.

"I have every evidence that that absolutely did not occur," said a Pentagon spokesman, Captain Mike Doubleday, when asked whether a U.S. patrol jet had been shot down in one of the Western-enforced no-flight zones.

Captain Doubleday told a news briefing there had been a report of anti-aircraft fire in the northern no-flight zone. "There have been no strikes taken by U.S. aircraft in the north or the south in the past four or five days," he said at a news briefing.

An Iraqi military statement said Western planes carried out 21 sorties inside Iraqi airspace in the north of the country. Primary data indicated that one of the "hostile planes" was shot down, the Iraqi statement said.

A U.S. military official in Turkey said there had been no incident in the northern zone on Tuesday.

All the planes returned safely to the Incirlik Air Base in southern Turkey, the official said.

GERMANY: Jobless Data Add to Schroeder Woes

Continued from Page 1

January's figures are also 368,000 fewer than in January last year, when German unemployment hit a post World War II record of 12.8 percent.

Reflecting the mounting pressure on the government, Mr. Schroeder's party Tuesday decided to rush its most urgent and controversial economic legislation through the Bundestag in March before the new Hesse government takes office in April and creates a blocking majority for the opposition.

The Hesse election threw the Social Democrats into turmoil over its tax reforms plans. But the party now hopes to avoid a blockade by rail-roading the tax plan through Parliament. The opposition wants to torpedo Mr. Schroeder's tax reform plan, which imposes heavy burdens on industry and offers relatively meager tax reductions.

The militant IG Metall union continued a wave of warning strikes across Germany to keep pressure on a critical round of contract bargaining talks.

Germany's largest union, which sets wages for 3.4 million industry- and autoworkers, is demanding a 6.5 percent wage increase and has rejected an offer from employers for a raise between 2.3 and 2.8 percent.

Labor tensions are putting strains on another cornerstone of Mr. Schroeder's economic policy. Industry argues that the unions could torpedo Mr. Schroeder's "Alliance for Jobs" program, which was conceived as a roundtable of labor, big business and government to fight unemployment.

Unemployment could rise with a generous raise, critics charge. Hans-Olaf Henkel, president of the German Industry Federation, accused IG

Metall of breaching the spirit of the roundtable talks. If IG Metall, which said it would not settle below 4 percent, wins an aggressive wage increase over 3 percent, that will cause another increase in unemployment this year, Mr. Henkel said.

Unions remain adamant. Ursula Engelen-Ker, deputy chief of the German Federation of Labor, said it was time for a generation pay increase after years of modest union gains. "We have some catching up to do," Ms. Engelen-Ker said.

The European Central Bank also signaled its concerns over the German unemployment rate. Speaking in Stuttgart only a few kilometers from where IG Metall held its talks, the ECB president, Wim Duisenberg, called on unions to accept "moderate" wage increases, saying hefty hikes could hurt the economy, already weighed down by the global economic slowdown.

Mr. Duisenberg reiterated the bank's concern over Europe's high joblessness, but he rebuffed pressure on the bank to cut interest rates to counter joblessness. (Page 13.)

Euro-area interest rates are currently comparable with promoting economic growth and lower rates could endanger price stability and the bank's inflation-fighting reputation, the central banker said. Bloomberg reported.

"Monetary policy can do nothing more," he said. It remains up to governments to take the lead in breaking up rigidities in labor markets, the central banker said. "The appropriate answer to this is structural reform of the economy, aimed at breaking down inflexibilities," he said.

Mr. Schroeder is certain to confront tensions within his own coalition over taxes and other issues.

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Record Nabob Sets the Tempo

Dodging Danger in Music Business

By Mike Zwerin
International Herald Tribune

PARIS — As the co-chief executive and co-chairman of Atlantic Records, Ahmet Ertegun has to bear his share of the blame for the condition of the major labels, which were recently described as being gripped by "hypercaution, creative torpor and industrial paralysis."

He does not agree with any of it. First of all, in all fairness, he also deserves to bear his share of pride in the key role he played in the worthy careers of people from Ornette Coleman to Aretha Franklin (by way of Crosby, Stills and Nash and the Modern Jazz Quartet).

And second, he contradicts the almost universally accented negative. "We have good men running the record business," he said, and proceeded to cite a half-dozen or so.

The way he put it, they were "pretty much all knowledgeable and reasonable men who love music. Listening to his take on the current state of affairs, it would seem that he was describing a totally different industry, or another time, or both. "You can't bat a thousand," he reasoned. "It's a business fraught with danger."

Ertegun, 74, is a veteran record man with an impressive track record and a deep musical culture. Along with that of his late brother and partner Nesuhi, his name could almost be up there as part of the name of the label itself. They are icons.

Lately, he has been promoting "Blues Blues Blues," an album he produced by the Jimmy Rogers All-Stars, featuring Taj Mahal, Jeff Healey, Kim Wilson, Carey Bell, Johnnie Johnson and Lowell Fulson. "This album is chock full of magic moments," he said. "And although everybody says, 'Wow, all those names!' and that's good because it leads people to listen to it, what's really good about the album is not the famous people on it but that they play the blues so well."

If that is true, then the fact that Mick Jagger, Eric Clapton, Jimmy Page, Robert Plant, Keith Richards and Stephen Stills — all impressively deliberately primitive — are also featured on it is not essential information. He hangs out with these people, they are great friends of his.

"These people did not agree to be on the record because they are great friends of mine," Ertegun continued. "They did it because they are all real fine blues people and they loved Jimmy Rogers. We never got a turnaround. Whomever we asked was very happy to play with Jimmy Rogers."

Rogers, who died at 74 before the album was completed last year, was rhythm guitarist with the Muddy Waters Chicago blues band, which changed the sound of the blues when it electrified.

Also a songwriter and a singer, Rogers wrote some of the songs and sings on the album. The Muddy Waters band was a prime influence on the first generation of rock stars who pay homage to him by performing on this tribute.

"When you go to these guys' homes," Ertegun said of the all-stars, "you understand that the old-time blues by these original black players is what they choose to listen to." We have heard this song before — English guitar heroes honoring the original black bluesmen (while borrowing their music).

Ertegun, however, is very good at putting everybody's best foot forward; his own as well as the musicians' and the industry's. He admitted that many of the early bluesmen were treated unfairly by the record companies, with their "low royalty rates and creative bookkeeping." But he also outlined how Atlantic redressed the balance by forgiving debt balances and contributing millions to the Rhythm and Blues Foundation.

"Atlantic never did any of that shabby stuff, but I'm the last person from that era left, so I guess I bear the brunt of everybody else's sins."

The "sins" have since multiplied. Universal and PolyGram have just merged into the world's biggest record company.

IT'S A WALL STREET world now. Norman Lebrecht wrote in The Daily Telegraph in London. "Some 200 rock bands have been dropped by their labels, and 3,000 staff dismissed. Seagram, the liquor empire, which owns the restructured Universal Music Group, needs to save \$200 million this year to pay for the purchase."

Lebrecht talked about a "trail of bodies" and an "already somber sector plunged into deep gloom."

The merged entity will command 24 percent of world record sales. Many industry people, not to mention musicians, are worried about the "suits," accountants and lawyers, making creative decisions, and about each quarter's profits being the principal measure of success. Atlantic is part of the Time Warner group, which merged some years ago, and also includes such labels as Elektra, East West and Rhino.

"We think we've been successful in maintaining the character of each label



Ahmet Ertegun puts musicians' best feet forward.

with diminishing staff," Ertegun said. "At Atlantic, we're running a very good company. And it gets better every year. We continue to develop new artists. The so-called 'suits' unquote do not tell us to sign up the 'Squirrelheads' over here instead of the 'Jerks' over there. They know what we're doing and they rely on us to bring in the profits."

"It's terrible when a lot of people get fired. But you need to see the perspective. Over the years, my partners changed, new people became president and co-chairman and so forth. Every body new who came in every year or six months or so brought in their own team and signed new acts. Nobody was fired. There's a limit."

"After all the turmoil of our merger," Ertegun went on, "we sat back, looked at what we had, listened to what they did, and we decided to let some 50 to 60 artists go. We just didn't have room to promote all of them correctly. Now we have many fewer artists but we stay with them much longer. And you know, sometimes an artist won't sell very much, but it's still nice to have the prestige of an album that is listed by critics as one of the 10 best of the year."

Whereas other senior executives would be content to settle for either sales or — not too often — prestige alone, he'll go for both.

He guesses that Atlantic's classic John Coltrane record "Giant Steps" has by now sold over a million copies since it was recorded as an LP. And, "oddly enough," the Jimmy Rogers album is turning out to be more than mere prestige. "It has shown strong initial strength," Ertegun said. "We're getting a lot of air play. We're getting solid sales. I think we are going to do very well with it."

A Perplexing 'Macbeth'

By David Stevens
International Herald Tribune

PARIS — "Macbeth" was Verdi's first creative encounter with Shakespeare and his response to the challenge resulted in his great leap forward as a musical dramatist, equal to the poet's psychological probing of the murderous royal couple.

It was Paris, 18 years after the Florence premiere, that asked for music for a ballet — then obligatory in French opera — for an 1865 production at the Theatre Lyrique. Verdi supplied that but also seized the chance to make revisions, giving Lady Macbeth a new Act 2 aria ("La luce langue") and rewriting much of the final act in the light of his greater experience.

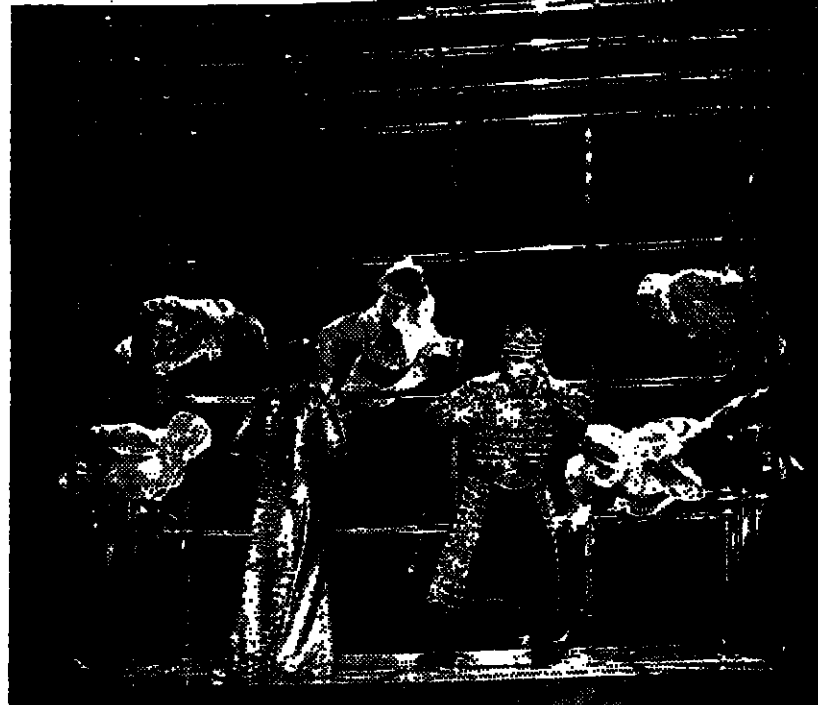
It is this version (but without the ballet) that is most familiar on the world's stages, and it is the version used in the new production — musically impressive but with a quirky staging — just mounted at the Opera Bastille.

The French baritone Jean-Philippe Lafont, in potent vocal form, portrayed a formidable Macbeth, a bluff warrior derailed by his own ambition and his inability to cope with his fiendish spouse, but in the end resolute in facing the disastrous consequences of his brutal climb to power.

As Lady Macbeth, Maria Guleghina — the Kirov soprano whose international career began taking off several years ago — cut a figure of demonic intensity. Her vocalism was uneven but powerfully delivered, and the sleepwalking scene, although fussy in action, was vocally impressive, with its pianissimo ending rising to the famously eerie high D-flat.

The production, staged by Phyllida Lloyd and with sets and costumes by Anthony Ward, is perplexing. It is long on peripheral anecdote and short on dramatic insight, while offering few clues about historical time or place.

The basic set is an open space with walls that suggest the wood paneling of a corporate boardroom. These walls slide



Maria Guleghina, left, with Jean-Philippe Lafont in the cage-like set.

apart frequently, offering a brightly lit view upstage in which a large gilded cage is the principal element. A number of already announced events are given visual, but hardly necessary, reinforcement — King Duncan snoring in bed, a few minutes later, Duncan's bloody corpse, and still later Lady Macbeth's lifeless body dangling from a gibbet, just in case one did not believe the death notice. Similarly, the offstage slaughter of Macduff's family is hinted eventually.

The richness of some of the costumes suggests some exotic realm overflowing with precious metals rather than a rough 11th-century Scotland, not to mention a pipe with running water, handy for folks with bloody hands to wash.

The witches cut striking figures with their dark robes and red headgear, but they kept making unsolicited appearances in scenes they were not booked for. It hardly seemed necessary for Macbeth to seek them out on the heath when they make house calls.

From the podium, Gary Bertini shaped a solid musical performance, the major secondary roles were handsomely cast with Franco Faria (Macduff), Marco Berti (Malcolm) and Carlo Colombara (Banquo), while the Opera's chorus was in top form in choruses of the witches and the exiles.

This "Macbeth" is a co-production with London's Royal Opera, which was to have done it in 1997 (in 1847 version) as part of its continuing Verdi festival. Production difficulties converted that into a concert performance, giving Paris the first shot at the staging.

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A Grand 'Solimano' in Berlin

By George W. Loomis

BERLIN — Composers' anniversaries often are occasions for music you hear every day, just more of it. Not so the operas of Johann Adolf Hasse, one of the most renowned composers of the 18th century but whose fame barely outlasted his lifetime. On Sunday the Berlin Staatsoper observed the tricentennial of Hasse's birth in grand fashion by giving his 1753 opera "Solimano," a rare opportunity to experience a work by the composer who cultivated Italian opera seria in its purest form.

The success of "Solimano" proved once again a cardinal rule for operatic revivals: Given the right circumstances, operas that won acclaim in their day can speak to a modern audience regardless of the critical baggage they have accumulated while lying around unperformed. Nobody ever regarded Hasse as a less than able composer, but opera seria is always thought to have a modus operandi that is all but hopeless. With its supposedly stilted dramatic content, highly formalized scene structure and relentless alternation between recitative and *da capo* arias, it can seem to pose insurmountable obstacles to any composer seeking to produce genuine drama through music. But we know Handel

summoned them, and he was not alone. The libretto by G.A. Migliavacca — a student of Hasse's regular collaborator, the celebrated Pietro Metastasio — deals with Sultan Sulaiman II of Turkey and his fight against the Persians in a way that looks tangled and contrived on paper. But Georg Quander's sometimes daring yet respectful production revealed its essence as the story of a jealous father, two sons with lovers from enemy territory, and the difficulties created for all by political scheming — tried and true operatic stuff.

Hasse's arias emerged as not just musical pleasures, but also vital studies in character. Intense rhythmic energy conveys Solimano's volatile nature, soothing melodic paths defines his wrongly accused son, Selimo.

Arias also combine to form gripping theatrical sequences, such as that initiated at the end of Act II when Solimano sarcastically gives his consent to Selimo's marriage to the Persian princess Narceia. Or near the end when Solimano's would-be daughters-in-law, believing Selimo murdered, denounce the sultan in blistering, back-to-back arias.

Quander's production began arrestingly, if dubiously, with nude women at the Turkish bath — something hardly consistent with the decorum of opera seria. But it grabbed the audience's interest and soon the opera was allowed to proceed on its own terms. It was an intriguing idea to give scenic representation to arias based on similes, as when Narceia compares herself to a helmsman in distress. Herbert Kapplmueller's decor, rich in crimson and beige and splendor in its vistas, captured the luxury and exoticism of the Turkish setting.

Revising an opera like "Solimano" is a futile exercise without stellar singers, and those at the Staatsoper pretty much fit the bill. The mezzo soprano Vivica Genaux was spectacular in the castrato role of Selimo, poised and alluring in her tender arias yet capable of delivering rousings with the precision and luster of a Marilyn Horne. Ana Camela Stefanescu brought tonal beauty and strong technique to the part of Narceia. Thomas Randle sang surely as Solimano, making the most of his many colorful moments. Francesca Provisonato and Graciela Oddone were aptly matched as the other pair of lovers, the counter-tenor Robert Crowe sang brightly as the confident Acomate and Christopher Maltman was effective as the villainous Rusteno.

Rene Jacobs led the period instrumentalists of the Concerto Koeln in a performance that revealed the vigor and eloquence of Hasse's music at every turn.

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BOOKS

CITIZEN NEWHOUSE Portrait of a Media Merchant

By Carol Felsenthal, 512 pages, \$29.95. Seven Stories. Reviewed by James Bowman

LET'S stipulate that S.I. Newhouse Jr., the 71-year-old billionaire proprietor of the Conde Nast media empire, has his faults — I mean apart from owning Vogue, Vanity Fair, Glamour, GQ and a host of other magazines, including, of course, The New Yorker. On the showing of Carol Felsenthal — whose previous biographical subjects have included Katharine Graham, Phyllis Schlafly and Alice Roosevelt Longworth — the chief among them is that he is a pretty boring guy.

Newhouse as a young adult, she reports, "showed no particular interest in or aptitude for anything, held no discernible opinions about politics or art or newspapers," and "his conversation was practically nil." Well into middle age he was "a man who seemed more like a boy, burdened with an adolescent's immaturity and insecurity." In his later years, collecting art has "seemed to provide him with the sense of identity and self-worth that so long had eluded him."

Such amateur psychology ought to arouse our suspicions. Likewise, she says that, on taking over Conde Nast, her subject "felt, for the first time in his life, fully engaged in his work, and when he left the office, he also felt for the first time that he was returning to a house that ex-

pressed who he was." How could Felsenthal possibly know all this about his "feelings"?

Again and again her relentlessly patronizing attitude prompts the odd psychoanalytical suggestion about herself. Is it possible, for instance, that this belittling so powerful a tycoon is for her, as for many of those she quotes — an assiduously mined collection of the more-or-less embittered including a former wife, former girlfriends and former employees — a kind of self-affirmation?

At any rate it leads her into a too-uncritical approach to her more critical sources. She slips in, under the guise of denying that there is any proof for them, rumors that Newhouse is homosexual, that his marriage is a "front" and that he bribed the judge who found in his favor in a claim by the Internal Revenue Service against his father's estate.

The whiff of scandal is deliberately left to hang in the air. The book is also rather unbalanced. Most of its first third is devoted to Newhouse's tough-minded father Sam (1895-1979), a Russian immigrant who laid the foundations of the family fortunes by buying up hundreds of small to midsize newspapers and making them pay.

In the final summing up, Newhouse is compared with William Randolph Hearst and Henry Luce and once again found wanting. But not only has Newhouse never claimed to be a Hearst or a Luce, it also is doubtful that such a figure could ever exist in the In-

formation Age. Even Newhouse's fellow tycoon Rupert Murdoch, with whom Felsenthal also unfavorably contrasts him, wields nothing like the influence of an old press baron.

As in the comparison with his father, Newhouse is criticized not for what he is but for what he is not. Such criticism may enable the author and her sources to settle some old scores — or compensate for their own insecurity — but it is not a very enlightening way to write biography.

James Bowman, media critic of the New Criterion, wrote this for The Washington Post.

BEST SELLERS

The New York Times			
This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on the list are not necessarily consecutive.			
FICTION			
Week	Title	Author	Weeks on List
1	SOUTHERN CROSS	by Patricia Cornwell	1
2	SEIZE THE NIGHT	by Dean Koontz	2
3	IN DANGER'S PATH	by W.E.B. Griffin	3
4	A MAN IN FULL	by Tom Wolfe	4
5	BILLY STRAIGHT	by Jonathan Koler	5
6	THE CAT WHO SAW STARS	by Lillian Jackson Braun	6
7	THE POISONWOOD BIBLE	by Barbara Kingsolver	7
8	HARRY POTTER AND THE SORCERER'S STONE	by J.K. Rowling	8
9	ANGELS' FLIGHT	by Michael Chabon	9
10	WHEN THE BLOWS	by James Patterson	10
11	THE SIMPLE TRUTH	by David Baldacci	11
12	RAINBOW SIX	by Tom Clancy	12
13	AMSTERDAM	by Ian McEwan	13
14	MARLBOROUGH	by Brian Koppelman	14
15	A NIGHT WITHOUT ARMOR	by David Baldacci	15
NONFICTION			
1	THE GREATEST GEN-ERATION	by Tom Brinkley	1
2	TUESDAYS WITH MORRIE	by Mitch Albom	2
3	BLIND MAN'S BLUFF	by Sherry Stringfield	3
4	THE CENTURY	by Peter Jacobson	4
5	CONVERSATIONS WITH GOD: Book 1	by Neale Donald Walsch	5
6	CONVERSATIONS WITH GOD: Book 3	by Neale Donald Walsch	6
7	THE PROFESSOR AND THE MADMAN	by Simon Winchester	7
8	FOR THE LOVE OF THE GAME	by Michael Jordan	8
9	THE ART OF HAPPINESS	by the Dalai Lama and Howard C. Cutler	9
10	THE ENDURANCE	by Caroline Alexander	10
11	THE DEATH OF OUTRAGE	by William J. Bennett	11
12	A WALK IN THE WOODS	by Bill Bryson	12
13	THE TEN COMMANDMENTS	by Laura Spillinger and Steven Vogel	13
14	WHY NOT ME?	by Al Franken	14
15	ANGELA'S ASHES	by Frank McCourt	15
ADVICE, HOW-TO AND MISCELLANEOUS			
1	LIFE STRATEGIES	by Phillip C. McGraw	1
2	9 STEPS TO FINANCIAL FREEDOM	by Sue Ommen	2
3	SUGAR BUSTERS	by H. Leighton Stewart et al.	3
4	ONE DAY MY SOUL JUST OPENED UP	by Isyan Vanzant	4

Minimalist View of a Gay Scene

By Sheridan Morley
International Herald Tribune

LONDON — Gay plays in Britain have had a curious history of what could be called an "open closet." Long before the abolition of state censorship in the 1960s, dramas like "The Green Bay Tree" (1933) and Noel Coward's "Design for Living" the following year had unmistakably homosexual leading characters, while "Tea and Sympathy" played Paris and London in the 1950s, long before venturing to Broadway and then the screen.

Yet we have never had any real equivalent of the polemical writing of a Larry Kramer, or the poetic yearning of a Terrence McNally for a happy homosexual community devoid of AIDS or mainstream prejudice.

Even in Kevin Elyot's "My Night With Reg," arguably the best gay play of the last decade in this country, AIDS is something that happens off-stage between acts.

All of which makes "Certain Young Men," the play that Peter Gill has written and directed for the Almeida, kind of fascinating in its own very chilly and minimalist way. Gill has always specialized in cross-sections of a community, (like his recent "Cardiff East" at the National, a latter-day dramatic version of "Under Milk Wood" with the techniques of drama-documentary replacing the Dylan Thomas poetry), and here again we have an ad hoc grouping of characters all in search of a plot which somehow Gill never quite manages to find.

His eight characters are neatly divided into four couples; all are gay, and all have to some extent destroyed their own happiness by an inability to come to terms with their sexuality. Some are dangerously close to stereotypes: the bookish intellectual falling for a bit of rough, or the late-developing gay still half in love with his former wife. But Gill's message is, when it finally flashes through to us,



Peter Sullivan in "Certain Young Men" at the Almeida.

about as quietly revolutionary as it can get. "Certain Young Men" says that there is no such thing as community, that people who adore Calvin Klein or Judy Garland or Maria Callas might be just that, not necessarily trying to crack a lifestyle code.

Gays, in a crude synopsis of Gill's text, are just like everyone else, except that they happen to be gay. They get together, separate, bicker, reconcile and in the end try to work out whether it is time to move on to other partners.

The problem is that Gill doesn't tell us enough about any of his men to make us really care what happens to them. We are given brisk background sketches, but these 17 brief duologues began as workshop exercises seven years ago and have never really graduated to full dramatic status.

Whether it might have been better to give them some central connection — the characters all passing some sexually-transmitted disease to each other

— or to bring them all face to face with each other, as at one of those McNally Fire Island beach weekends, we shall never know. Gill goes his own bleak way, mercilessly mocking the eccentricities of gay culture but also tacitly admitting that the alternative to coming out is staying in, and that can't be much fun either.

Gay activists will find nothing to cheer in "Certain Young Men," and its ultimate conclusion is oddly negative — gays should forego victim status and just try to make peace with themselves and a still-hostile outside world of muggers and mockers. Gill comes full circle, back to Coward's philosophy that sex is not necessarily something to shout about, and that sexual politics is a contradiction in terms.

Jeremy Northam leads a strong cast, but if Gill had not been his own director the play could possibly have been more sharply focused in production.

At the New End, Carlo Ardito's "Brief Candle" is trapped somewhere between a play and a recital, and might look a lot better on a charity Sunday night than in a full performance schedule.

It tells the curious story of Marie Bashkirtseff, a singer, painter and diarist who died of tuberculosis at 24 in 1884. Early death proved to be her most brilliant career move, since she then became briefly a patron saint of the new arts world and enjoyed vast, albeit short-lived, posthumous fame all over Europe.

Ardito has cobbled together her brief life adequately enough, and Denis Quilley does his usual sterling service as the narrator and as several of the men in Marie's life, for a production directed by his wife, Stella Quilley.

Reginald Jessup and Toni Kanal do what they can with the very sketchy supporting characters, and Celia White is a real find, making of the massively tiresome Marie one of those waif-like characters who used to get raped by the aristocracy in the plays of Jean Anouilh.

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WEDNESDAY, FEBRUARY 16, 1999

PAGE 11

Economists Say Singapore May Allow Currency to Weaken

By Michael Richardson
International Herald Tribune

SINGAPORE — Concerned about a darkening trade picture, Singapore may attempt to engineer a weakening of its strong currency to boost the competitiveness of its products overseas and help lift the island nation out of recession, economists say.

The government denies any plans for a depreciation of the Singapore dollar, but an increasing number of analysts here said that a continued recession and declining trade may force officials to act.

"The chosen mechanism may well be to encourage a managed weakening of the Singapore dollar," said Ong Sin Beng, an economist in the Singapore office of J.P. Morgan & Co., the U.S. investment bank. A weak currency lowers export prices and helps fuel overseas sales.

Trade pressures weigh more heavily on Singapore than on many other countries. Its total merchandise trade is 270 percent of its gross domestic product, making Singapore far more heavily dependent on trade to power its economy than any other country in Asia. Its deteriorating trade competitiveness, analysts say, was evident in the 8.5 percent drop in non-oil domestic exports in December and the 7.5 percent slump in total trade for 1998 — the worst annual showing since the 1975 oil crisis.

The government's Trade Development Board projects that Singapore's total trade for 1999 will decline by between 5 percent and 7 percent.

"Increasingly, people are concerned about the loss in competitiveness of the Singapore economy," said Liew Yin Sze, senior economist at JIM Sassoon brokerage. He noted that Singapore was

lagging in shipments of electronic components while China, Malaysia, the Philippines and Mexico were all recording gains in this key export sector.

Singapore has made some strides in combating its economic ills. It has improved productivity and cut business costs by 10.5 billion Singapore dollars a year (\$6.22 billion), with the benefits expected to start appearing in 1999.

The Trade Development Board's director of trade policy, Chan Kam Fai, said Singapore's cost-cutting measures would enhance competitiveness, but the extent to which they would translate into higher exports depended on demand.

"It's almost a foregone conclusion that trade will be negative in the first half," he said. "The earliest we think in terms of bottoming out is the second half of the year."

The Singapore dollar has already de-

preciated by about 15 percent against the U.S. dollar since Asia's financial turmoil erupted in mid-1997, but analysts say that a further decline may be necessary to restore the country's trade competitiveness.

"When a small open economy is faced with recession, falling prices and the need for an easy monetary policy to keep the banking system liquid, a weak currency is a logical policy," said Kate O'Donoghue, an economist in the Singapore office of Barclays Capital, a unit of Britain's Barclays Bank PLC. "This is especially true in Singapore, which has low external debt and is a net capital exporter, and where trade is extremely important to the economy."

Barclays is forecasting that the U.S. dollar, currently trading at around 1.6800 Singapore dollars to the U.S. dollar, could rise another 15 percent by

the end of the year to 2.0000 Singapore dollars as the government ratchets down the currency's value.

The Singapore dollar is not pegged to any single currency but to a trade-weighted basket of currencies of its main trading partners, a system designed to minimize imported inflation and safeguard export competitiveness.

With Singapore's inflation rate falling into negative territory in 1998 for the first time in 13 years, analysts said the government's priority is likely to shift to export stimulus.

Singapore is technically in recession after recording two consecutive quarters of negative growth to December. Analysts said that the economy could stay in negative territory this year if East Asia's troubles persist and demand in Singapore's other main export markets, the United States and Europe, also slows.

Currencies' percentage change against the dollar since July 1, 1997.

Japan	+0.28
China	+0.18
Hong Kong	-0.03
Taiwan	-15.50
Australia	-15.90
Singapore	-15.25
New Zealand	-17.00
South Korea	-21.50
Philippines	-22.75
Malaysia	-23.00
Thailand	-26.00

Japan Urges U.S. to Buy Its Bonds

Talk of a Shift in Plan For Sales Sparks a Rally

Compiled by Our Staff From Dispatches

TOKYO — The United States should support the Japanese economy by purchasing government bonds and helping bring down rising interest rates, Japan's chief cabinet secretary, Hiromu Nonaka, said Tuesday.

"Japan bought U.S. Treasuries in the 1980s when the U.S. economy was in a very difficult state," Mr. Nonaka said at a news conference, adding that Japan's Treasury purchases "more or less contributed to the economic recovery" in the United States. Washington thus "should take steps to maintain the balance when our country's financial condition is bad," Mr. Nonaka said.

His comments came after the governor of the Bank of Japan, Masaru Hayami, rejected a proposal by some lawmakers that the central bank buy up part of some pending government bond issues.

Under the budget plan for the next fiscal year, which begins April 1, the government is to issue a record 31.05 trillion yen (\$271.2 billion) of new bonds to finance its spending.

Such massive bond issues have triggered concerns about oversupply and helped push the yield on the benchmark 10-year bond to 2.44 percent last week, its highest level since June 1997.

On Tuesday, however, the market for the 10-year bond surged on news that Tokyo may shift the burden to medium-term issues. The yield, which moves inversely to price, closed at the day's low of 1.98 percent, compared with 2.16 percent at Monday's close.

"It is necessary to study the diversification" of bond maturities, given the staggering number of bonds to be issued in the fiscal year starting April 1, said Finance Minister Kiichi Miyazawa.

Mr. Miyazawa said at a news conference that he had ordered ministry officials to "consider" such a move, although he did not give them specific instructions to do so.

The value of 10-year bonds to be issued in the next year would be unchanged from this year at 1.8 trillion yen a month, Mr. Miyazawa said.

He said he did not expect the recent rise in long-term interest rates in Japan to continue in the months ahead.

"A volatile rise or fall in long-term rates is not favorable," he said, "but I don't think the long-term rates will keep rising over the long term."

A Bank of Japan policy board meeting set for Friday also heightened investors' expectations that the bank may discuss the possibility of increasing buying of already issued government bonds in the open market to ease pressure on long-term bonds, said Keisaku Ujihara of Sanwa Asset Management Co.

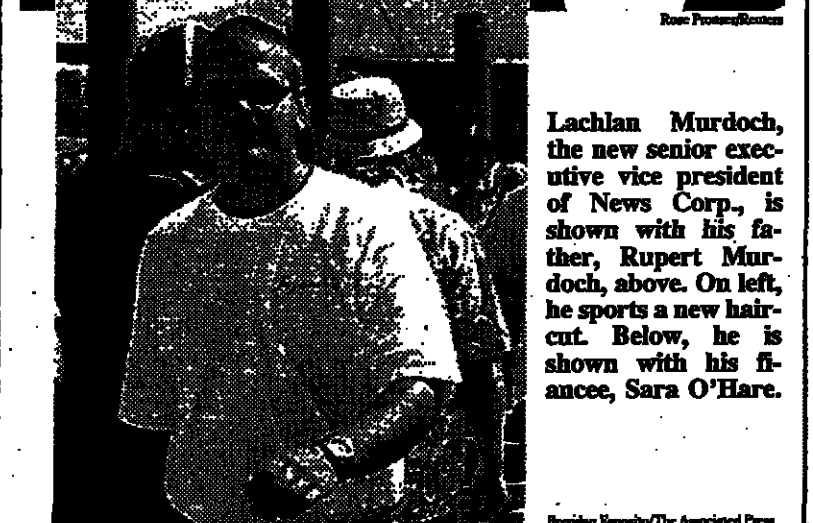
Some investors expect that the central bank will increase purchases of government bonds on the secondary market. Others expect the Bank of Japan to lower its benchmark short-term interest rate, already at a record low of 0.25 percent.

"Less 10-year supply plus a significant increase in ribbon operations could pull down bond yields," said Mr. Ujihara of Sanwa, referring to secondary-market purchases. "If that happens, we could see the benchmark bond yield drop as low as 1.8 percent in the next two weeks."

(AFP, Reuters, Bloomberg)



Lachlan Murdoch, the new senior executive vice president of News Corp., is shown with his father, Rupert Murdoch, above. On left, he sports a new haircut. Below, he is shown with his fiancée, Sara O'Hare.



Murdoch's Son Lachlan Takes Another Step Up

By Michael Perry
Reuters

SYDNEY — Lachlan Murdoch has a gecko lizard tattooed on his forearm — a testament to his passion for rock climbing. And as a climber he knows that to reach the top he has to be patient and calculate every move.

But his rise toward the summit of his father Rupert Murdoch's global media empire News Corp. has been meteoric.

On Tuesday, Lachlan, 27, was appointed senior executive vice president responsible for U.S. print operations, in addition to running Australia's News Ltd., five years after his first managerial job running a handful of newspapers.

In those years Lachlan, Murdoch's third-oldest child, has overtaken his siblings to be appointed heir-apparent to the founder and chairman of the huge media empire.

"This is another step in the test to see whether he's going to take the reins down the track," said one Australian media analyst, who declined to be named. News Corp.'s stock closed at 11.36 Australian dollars (\$7.40), up 0.06.

His first taste of Murdoch newspapers came with stints as a junior reporter on the San Antonio Express-News in Texas and as a copy editor for one of Britain's raucous tabloids, The Sun.

But like his father his real apprenticeship has been in Australia, where in 1994 he was appointed general manager of Murdoch newspapers in the state of Queensland.

Lachlan Murdoch earned a reputation of being "one of the boys" at Brisbane's The Courier-Mail and was constantly in the newsroom.

Within a year he had become ex-

See MURDOCH, Page 12

The Back of the Plane Drags BA Down

Drop in Premium Fliers and Home-Turf Competition Result in Rare Loss

By Tom Buerkle
International Herald Tribune

LONDON — British Airways PLC reported its first quarterly loss in nearly four years Tuesday as competition intensified on North Atlantic routes and budget-conscious passengers continued to seek cheaper seats in the back of the plane.

The earnings report provided the most dramatic evidence to date of the downward trend that has hit European carriers in recent months as a result of the global economic slowdown. Although British Airways expressed confidence that cost-cutting and capacity restraint would restore profitability in the medium term, its chief executive, Robert Ayling, acknowledged that it was too early to know whether the revenue trend was bottoming out.

The company, the largest airline in Europe, reported a net loss of £68 million (\$111 million) in its third quarter, which ended Dec. 31, against a profit of £71 million a year earlier. It was the carrier's first loss since the January-March quarter of 1995.

The loss included a gain of £59 million from unpaid employee bonuses but also a charge of £117 million to cover exchange-rate losses on long-term aircraft leases based in yen.

On a pretax basis, the company reported a loss of £75 million, compared with a profit of £80 million a year ago.

Revenue fell 0.7 percent to £2.14 billion, even though British Airways carried about 10 percent more passengers.

All the growth came in the economy section, while premium traffic — business and first-class passengers — fell 2.9 percent. The decline in overall sales and especially in premium seats added up to an 11.3 percent drop in revenue per passenger mile, a key industry benchmark.

"That really sums it up," said Guy Keckwick of Goldman, Sachs & Co. "The pricing environment is very difficult at the moment."

The loss was less than most analysts had expected, given that BA has been reporting sizable drops in premium traffic for the past four months. The airline's stock, which has plummeted 45 percent since July, rose slightly, finishing the day up 2.3 percent at 390.25 pence.

Shares rose last week when the airline announced that its business and first-class traffic fell 1.1 percent in January.

That decline was smaller than in the three previous months, leading some analysts to hope that a turnaround was at hand. But Mr. Ayling said it was "too early to say."

Analysts also were encouraged by the

airline's efforts to bring its costs into line with its sluggish revenues. BA said it would trim annual costs by £600 million this year, putting it £100 million ahead of target on a £1 billion cost-reduction program that started two years ago.

British Airways also has promised far-reaching structural changes to rein in capacity, but those plans will take longer to bear fruit.

After expanding capacity by 12 percent in 1998, the airline has told institutional investors that it will increase capacity by no more than 2 percent a year for the next three years. Real change will begin this summer when the carrier starts a three-year program to replace aging Boeing 747 jumbo jets with 46 modern 777s, which seat fewer passengers and have a higher proportion of premium seats.

In the meantime, BA says it is suffering as competitors switch aircraft to North Atlantic routes from Southeast Asia and other areas hit by the global slowdown. The North Atlantic market generated 80 percent of British Airways' profit last year.

Mr. Ayling cited growth by Continental Airlines Inc. in particular, saying the U.S. carrier's flights into regional airports in Britain were putting pressure on prices at London's Heathrow and Gatwick airports, BA's two big hubs.

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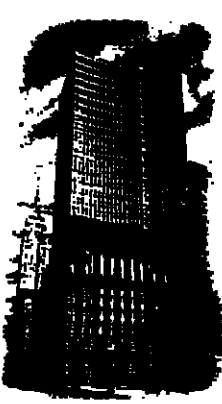
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THE AMERICAS

Technology Shares Pummel the Market

Compiled by Our Staff From Despatches

NEW YORK — U.S. stocks fell Tuesday, sending the Nasdaq Composite index to its worst drop in four months, on concern that corporate earnings won't justify January's rally.

Internet shares led the decline, falling for the sixth time in seven days. Lycos Inc., the market's 10th-best performer since the start of the year, sparked the rout after USA

U.S. STOCKS

Networks, the media company headed by Barry Diller, agreed to buy the No. 3 Internet search directory in a transaction that implies a 28 percent discount for Lycos.

"The euphoria's gone," said Martin Yokosawa, a portfolio manager for Oberweis Asset Management in North Aurora, Illinois. "We went to the party and really whooped it up, and now we have a hangover."

The Dow Jones industrial average closed 158.08 points lower, at 9,133.03. Broader stock indicators were also lower, with the technology-heavy Nasdaq composite index down 94.12 to 2,310.80, and the Standard & Poor's 500 index down 27.63 to 1,216.14.

Declining issues outnumbered advances by more than a 2-to-1 margin on the New York Stock Exchange.

The bond market rallied, with the benchmark 30-year Treasury bond benchmark at 95 3/32, up 18/32. The yield fell to 5.31 percent from 5.35 percent.

Lycos fell 33 to 94 1/4 after USA Networks valued their combination at \$22 billion, which analysts said

implied a price of \$91 a share for Lycos. "There's not much of an incentive to bid the stock up," said Dawn Simon, an analyst at Brown Brothers Harriman & Co., who has a "neutral" rating on the shares. As of Friday, Lycos was up 147 percent since the start of the year, on speculation it would be taken over by General Electric Co.'s NBC network.

USA Networks rose 3 1/16 to 41 1/4.

"Internet stocks in particular, and technology stocks generally came too far, too fast," said Courtney Smith, chief investment officer for Orbix Investments.

Thirteen of the 15 best performing stocks in the past 12 months were linked to the Internet. CMGI Inc., which invests in Internet start-up companies, led the pack, posting a 100-fold gain. The worst of the top 15, Infoseek Corp., rose 50-fold.

Yahoo!, the No. 1 Internet search directory, fell 17 1/4 to 140 1/4. Amazon.com, the biggest on-line bookseller, fell 9 1/4 to 100.

Larger companies that gained in recent weeks because of their exposure to the Internet also declined. AT&T dropped 3 1/4 to 87 1/4, and Cisco Systems, a maker of networking equipment, fell 6 to 95 1/16.

Soft-drink and beverage stocks were stronger, with Coca-Cola up 1/4 at 61 1/4. That suggested a favoring by investors of recession-resistant consumer stocks. But drug stocks, which also have performed well lately, were taking big hits. The Dow industrials were led lower by Merck, down 4 1/16 to 145 3/16.

(Bloomberg AP)

New AMR Chief Faces Pilot Strife

By Laurence Zuckerman
New York Times Service

NEW YORK — When Donald Carty took over as chairman and chief executive of AMR Corp. last May, he said his first priority was to improve the bitter labor relations at American Airlines, the country's second-largest carrier, that had developed under his combative predecessor, Robert Crandall.

Now, Mr. Carty is learning just how big a challenge that is. On Tuesday, American was forced to cancel 32 percent, or 730 of its 2,250 daily flights as pilots called in sick for the fourth day in a row. On Monday, 500 flights were canceled. The pilots are angry about American's plans to integrate Reno Air, a small regional carrier it bought in December, into its larger network.

The dispute has inconvenienced thousands of passengers and threatens to disrupt the coming President's Day holiday weekend, when flights all over the country will be full. But before that happens, Mr. Carty hinted strongly in a news conference Monday,

American would seek a court injunction ordering the pilots to stop their job action.

The fact that the airline is facing such difficulty came as a surprise to executives at other carriers and to Wall Street analysts. Shares of AMR, American's parent company, fell \$2.975 on Monday to close at \$57 on the first day of trading since the disruption began. On Tuesday, the shares were at \$56 in late trading, down \$1.

"This should never have happened," said Samuel Buttrick, an industry analyst with PaineWebber in New York. "Other airlines in the past have worked out pilot-integration issues on much larger mergers without this unnecessary disruption to operations."

Mr. Carty expressed dismay, asserting: "It is hard for me to believe that this is really about the Reno acquisition. I wish I knew what it was."

He said that American was willing to reopen talks at any time with the Allied Pilots Association, the independent union that represents American's 9,200 pilots.

[American Airlines and its pilots union agreed last Tuesday to resume negotiations later in the day. The Associated Press reported from Fort Worth, Texas.]

Gregg Overman, an association spokesman, said the disruption was a "grass-roots initiative" that was not led by the union.

Much of the pilots' current anger can be traced back to their abortive strike two years ago, which was ended only minutes after it began when President Bill Clinton ordered the pilots back to work. An agreement was later worked out under the auspices of an emergency board appointed by Mr. Clinton, but even though a majority of the pilots voted in favor of it, many felt it had been imposed on them.

"There is a feeling that our pilots don't have the say that they should have in the process," Mr. Overman said.

Since then, several members of a group of pilots that helped defeat a tentative contract agreement before the strike have been elected to the union's 18-member board of directors.

Brazil Tries to Avert Defaults by Its States

Compiled by Our Staff From Despatches

BRASILIA — Three Brazilian ministers led by Finance Minister Pedro Malan concluded a meeting with three opposition state governors here Tuesday in a bid to avert default by several states.

Both sides came out saying the talks had been valuable. Telecommunications Minister Joao Pimenta da Veiga called the meeting "of great value" and said he would relay its contents Wednesday to President Fernando Henrique Cardoso, who could set a date to meet with the governors himself.

"It was a very positive meeting," according to the Rio de Janeiro governor, Anthony Garotinho, who is a member of the opposition Democratic Labor Party.

Investors and governments around the world are concerned that a prolonged standoff between the government and the states could hinder the country's fragile comeback from the worst part of a currency crisis that erupted four weeks ago.

A long impasse could also deepen what is expected to be Brazil's worst economic slump in three decades as the economy shrinks by between 3

percent and 7 percent this year, according to economists' projections.

Mr. Cardoso has so far refused to hear the governors' grievances but has passed on the task of defusing tensions to the ministers.

Mr. Cardoso needs support from Brazil's 27 states to meet stiff budget targets and convince international investors of his resolve to slash the crippling budget deficit, now at 8 percent of gross domestic product.

He must also win over the International Monetary Fund to receive a second tranche of a \$41.5 billion bailout package pieced together last year.

A team of IMF officials was following the developments in Brasilia while finishing up a two-week mission to review the situation in the world's eighth-largest economy following devaluation.

"We will make it clear," Communications Minister Joao Pimenta da Veiga said, that the federal government "wants a dialogue" with the states.

He told reporters, "The government does not want to be insensitive to the states' difficulties, but evidently, we cannot assume their

debt." But the Folha de S. Paulo newspaper condemned the government's demands as "unacceptable," saying in an editorial that they had aggravated Brazil's economic crisis.

The dollar rose to 1.90 reals in late trading Tuesday from 1.85 reals on Monday.

(AFP, Reuters)

U.S. Stocks Undercut Dollar Against Yen

Compiled by Our Staff From Despatches

NEW YORK — The dollar slipped against the yen Tuesday, largely due to the falling U.S. stock market.

"The equities market is getting hit and that is putting pressure on the dollar," said Alex Ignina of General Bank.

But dealers said the dollar's decline was cushioned by a rally in Japanese government bonds, which pulled yields down a bit from their recent highs. They said the market was focused on a meeting of the Bank of Japan's policy board Fri-

day and a possible decision by the central bank to increase purchases of government bonds.

The dollar was quoted at 4 P.M. at 114.125 yen, down from

FOREIGN EXCHANGE

114.545 yen on Monday. The precarious economic situation in Japan was reflected in the uncertainty surrounding the Japanese bonds, said one London analyst, who predicted a long-term rise bringing the dollar to 130 yen.

The dollar rose against the euro, with the euro falling to \$1.1306 from \$1.1322.

Analysts said the euro was dealt a blow by data Tuesday that proved the buoyancy of the U.S. economy. Business productivity increased at a 3.7 percent annual rate in the fourth quarter, compared to a 2.5 percent gain in the previous three months, the Labor Department reported.

The dollar rose to 1.4178 Swiss francs from 1.4158 francs, while the pound fell to \$1.6375 from \$1.6399.

(Bridge News, Bloomberg, AFP)

MURDOCH: Her Apparent

Continued from Page 11

Executive director of News Ltd. and in 1997 was named chairman and chief executive of News Ltd., running the entire Australian operation.

In the past five years Lachlan Murdoch has not only emerged as a tough media proprietor, bloodied by a bitter and expensive battle over Australian rugby and local pay television, but also a darling of the social page editors.

Lachlan, as he has been nicknamed by Sydney's social set, is often seen riding a powerful motorcycle around town and is engaged to marry Wendy Webster, a supermodel Sara O'Hare.

He has also taken up sailing — as his father did in his youth — and has twice tackled the notorious Sydney Hobart yacht race, which saw six sailors killed in mountainous seas during late 1998.

Speculation over who will succeed Rupert Murdoch, 67, heightened following a 1997 U.S. interview in which he said there was a consensus Lachlan would take over.

Lachlan's older sister Elisabeth had previously been seen as the most likely

successor, holding senior positions such as general manager of British satellite broadcaster BSkyB. Younger brother James is deputy publisher of the New York Post newspaper.

But in 1997 Rupert elevated Lachlan to executive chairman of News Ltd. — the Australian newspaper chain from which Rupert launched his assault on the world.

Today, News Corp. is one of the world's largest media companies, with newspapers, cable and satellite television networks and book publishing assets worth approximately \$33 billion and generating annual revenue of \$13 billion.

On Tuesday, Lachlan's climb toward the News Corp. summit saw him reach the inner sanctum of the chairman's office.

Lachlan, who already sits on the News Corp. board, is now one of News Corp.'s top six senior executives and the only sibling to join his father in the chairman's office.

Even so, analysts warn succession is not guaranteed. The gecko is getting close to the top, but climbers know the most dangerous part of any ascent is the summit.

INTEREST RATES

Tuesday, Feb. 9

Government Debt

	2-month	3-month	1-year	2-year	5-year	10-year
Britain	5.08	5.08	5.08	5.08	5.08	5.08
France	2.88	2.88	2.88	2.88	2.88	2.88
Germany	3.02	2.93	2.91	2.92	2.93	2.94
Japan	0.08	0.08	0.08	0.08	0.08	0.08
Spain	2.95	2.90	2.90	2.90	2.90	2.90
United States	5.35	5.35	5.35	5.35	5.35	5.35
Yield	4.51	4.41	4.74	4.80	4.88	5.31
Price	4.41	4.41	99.17	99.21	99.31	99.44

Source: Bloomberg.

Money Market Rates

	Today	Prev	Britain	Today	Prev
Discount rate	4 1/4	4 1/4	Base rate	5 1/4	5 1/4
Prime rate	7 1/4	7 1/4	Call money	5 1/4	5 1/4
Federal funds	4 1/4	4 1/4	1-month interbank	5 1/4	5 1/4
90-day Certs Deposit	4 1/4	4 1/4	3-month interbank	5 1/4	5 1/4
180-day Certs Deposit	4 1/4	4 1/4	6-month interbank	5 1/4	5 1/4

Source: Bank of Tokyo-Mitsubishi.

Libor Rates

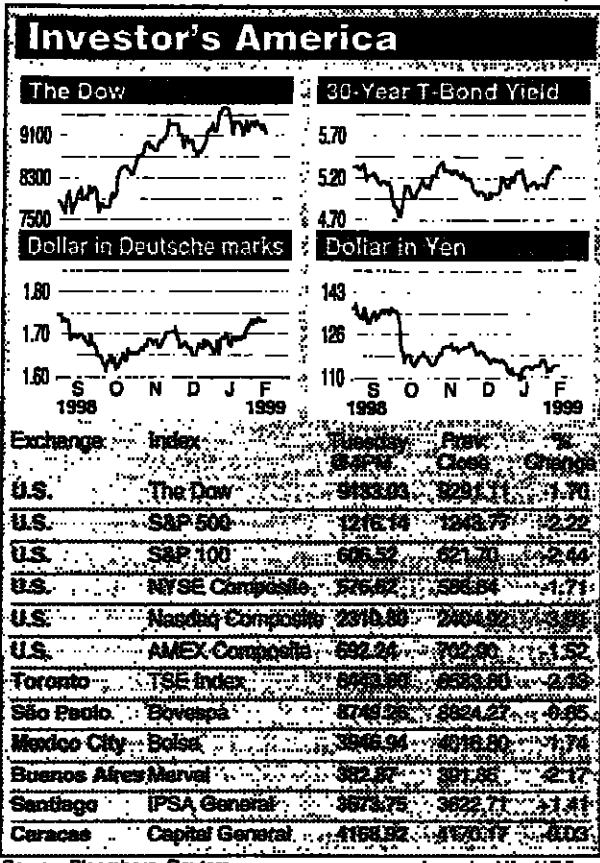
	1-month	3-month	6-month	12-month
Dollar	4.994	5.00	5.003	5.019
Euro	3.157	3.171	3.173	3.175
Japanese	5.077	5.114	5.119	5.124
Swiss franc	1.400	1.402	1.402	1.402

Source: Associated Press.

Forward Rates

	30-day	60-day	90-day
Pound Sterling	1.473	1.473	1.473
Canadian dollar	1.493	1.493	1.493
Japanese yen	114.15	113.72	113.20
Swiss franc	1.400	1.402	1.402

Source: Associated Press.



Very briefly:

- The Federal Reserve Board reported greater willingness by American banks to lend in the past three months but said foreign banks operating in the United States remained cautious.
- Quest Diagnostics Inc. agreed to pay \$1.27 billion in cash and stock to buy SmithKline Beecham PLC's clinical laboratories division, while Express Scripts Inc. paid \$700 million for the drugmaker's U.S. pharmacy-benefits provider.
- Metro Goldwyn Mayer Inc. is suing Sony Pictures Entertainment, Columbia TriStar Home Video and other Sony Corp. subsidiaries, accusing them of underreporting overseas video sales of films by its Orion Pictures Corp.
- Equitable Cos. posted a fourth-quarter net profit of \$177.9 million, compared with a loss of \$14.1 million a year earlier, as growth in its insurance and asset-management operations offset a shortfall in investment banking.
- The proportion of U.S. homes with a personal computer rose to 50 percent in 1998, according to the market research firm Dataquest Inc., from 43 percent in 1997.

AP, Bloomberg, Reuters

Suit Against AHP Chiefs Dismissed

The Associated Press

NEWARK, New Jersey — A federal judge has dismissed a shareholder lawsuit charging that executives at American Home Products Inc. benefited from inside information about problems with two popular diet drugs that were later recalled.

The class-action suit had alleged that AHP hid the troubles with Redux and Pondimin while the executives sold nearly \$25 million in stock.

U.S. District Judge Nicholas Politano ruled that he could not sustain charges that AHP improperly withheld damaging medical data before the September 1997 recall. Judge Politano noted that AHP's stock rose after the problems were disclosed two months earlier, and only fell after the recall was announced.

U. S. STOCK MARKET DIARY

Tuesday, Feb. 9

Indexes					Most Actives					
Dow Jones					NYSE					
	High	Low	Close	Change	Vol.	High	Low	Close	Change	
Industrials	9791.11	9785.02	9728.31	113.02	-158.08	17288	199.1	162.0	164.0	-10.0
Technology	1216.14	1216.14	1216.14	-27.63	-27.63	10012	50.0	50.0	50.0	-10.0
Utilities	244.19	244.19	244.19	-2.34	-2.34	10012	50.0	50.0	50.0	-10.0
Health	136.84	136.84	136.84	-2.17	-2.17	10012	50.0	50.0	50.0	-10.0
Energy	124.62	124.62	124.62	-1.27	-1.27	10012	50.0	50.0	50.0	-10.0
SP 100	2613.6	2613.6	2613.6	-44.4	-44.4	10012	50.0	50.0	50.0	-10.0
Standard & Poor's					AMEX					
	High	Low	Close	Change	Vol.	High	Low	Close	Change	
Industrials	1511.14	1497.98	1514.83	147.88	147.88	17288	199.1	162.0	164.0	-10.0
Technology	692.36	671.35	624.09	64.09	64.09	10012	50.0	50.0	50.0	-10.0
Utilities	244.19	242.47	242.53	241.24	241.24	10012	50.0	50.0	50.0	-10.0
Health	136.84	136.84	136.84	136.84	136.84	10012	50.0	50.0	50.0	-10.0
Energy	124.62	124.62	124.62	124.62	124.62	10012	50.0	50.0	50.0	-10.0
SP 100	623.34	615.51	621.70	605.52	605.52	10012	50.0	50.0	50.0	-10.0
NYSE					Nasdaq					
	High	Low	Close	Change	Vol.	High	Low	Close	Change	
Advanced	58.84	57.34	57.67	-10.0	-10.0	24198	100.0	97.0	98.0	-40.0
Declined	57.34	57.34	57.34	-10.0	-10.0	24198	100.0	97.0	98.0	-40.0
Unchanged	57.34	57.34	57.34	-10.0	-10.0	24198	100.0	97.0	98.0	-40.0
Market Sales	501.4	494.9	495.2	3.71	3.71	24198	100.0	97.0	98.0	-40.0
AMEX					Dow Jones					
	High	Low	Close	Change	Vol.	High	Low	Close	Change	
Industrials	102.3	101.66	101.66	-0.17	-0.17	17288	199.1	162.0	164.0	-10.0
Technology	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
Utilities	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
Health	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
Energy	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
SP 100	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
NYSE					AMEX					
	High	Low	Close	Change	Vol.	High	Low	Close	Change	
Advanced	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
Declined	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
Unchanged	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0
Market Sales	107.63	107.63	107.63	-0.18	-0.18	10012	50.0	50.0	50.0	-10.0

Rates Are 'Very Low,' ECB Chief Declares

Economic turmoil around the world could 'slow adaptation to the new currency in the short term, the bank said in a report released Tuesday. "The Asian and Russian financial crises, the protracted difficulties in the Japanese banking sector and the potential spillover effects of these crises have been — and still are — major sources of concern," it said.

(Bloomberg News, AP, Reuters)

The sale, which foreshadows

forecast to grow to \$48 billion by 2000 from about \$22 billion in mid-1997, according to the latest statistics from pensions consultants William Mercer.

Central London Is Richest

Very briefly:

• **The Bank for International Settlements' board elected the governor of the Swedish Riksbank, Urban Backstrom, to a three-year term as chairman and president.** *AFP Business Report*

	Close	Prev.	High	Low	Close	Prev.	High	Low	Close	Pre
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100

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

NYSE

Tuesday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Nationwide prices not reflecting late trades elsewhere.
The Associated Press.

12 Month High Low Stock Div Yld PE 100 High Low Latest Chg

A-B-C										
17	18	19	20	21	22	23	24	25	26	27
17	18	19	20	21	22	23	24	25	26	27
18	19	20	21	22	23	24	25	26	27	28
19	20	21	22	23	24	25	26	27	28	29
20	21	22	23	24	25	26	27	28	29	30
21	22	23	24	25	26	27	28	29	30	31
22	23	24	25	26	27	28	29	30	31	32
23	24	25	26	27	28	29	30	31	32	33
24	25	26	27	28	29	30	31	32	33	34
25	26	27	28	29	30	31	32	33	34	35
26	27	28	29	30	31	32	33	34	35	36
27	28	29	30	31	32	33	34	35	36	37
28	29	30	31	32	33	34	35	36	37	38
29	30	31	32	33	34	35	36	37	38	39
30	31	32	33	34	35	36	37	38	39	40
31	32	33	34	35	36	37	38	39	40	41
32	33	34	35	36	37	38	39	40	41	42
33	34	35	36	37	38	39	40	41	42	43
34	35	36	37	38	39	40	41	42	43	44
35	36	37	38	39	40	41	42	43	44	45
36	37	38	39	40	41	42	43	44	45	46
37	38	39	40	41	42	43	44	45	46	47
38	39	40	41	42	43	44	45	46	47	48
39	40	41	42	43	44	45	46	47	48	49
40	41	42	43	44	45	46	47	48	49	50
41	42	43	44	45	46	47	48	49	50	51
42	43	44	45	46	47	48	49	50	51	52
43	44	45	46	47	48	49	50	51	52	53
44	45	46	47	48	49	50	51	52	53	54
45	46	47	48	49	50	51	52	53	54	55
46	47	48	49	50	51	52	53	54	55	56
47	48	49	50	51	52	53	54	55	56	57
48	49	50	51	52	53	54	55	56	57	58
49	50	51	52	53	54	55	56	57	58	59
50	51	52	53	54	55	56	57	58	59	60
51	52	53	54	55	56	57	58	59	60	61
52	53	54	55	56	57	58	59	60	61	62
53	54	55	56	57	58	59	60	61	62	63
54	55	56	57	58	59	60	61	62	63	64
55	56	57	58	59	60	61	62	63	64	65
56	57	58	59	60	61	62	63	64	65	66
57	58	59	60	61	62	63	64	65	66	67
58	59	60	61	62	63	64	65	66	67	68
59	60	61	62	63	64	65	66	67	68	69
60	61	62	63	64	65	66	67	68	69	70
61	62	63	64	65	66	67	68	69	70	71
62	63	64	65	66	67	68	69	70	71	72
63	64	65	66	67	68	69	70	71	72	73
64	65	66	67	68	69	70	71	72	73	74
65	66	67	68	69	70	71	72	73	74	75
66	67	68	69	70	71	72	73	74	75	76
67	68	69	70	71	72	73	74	75	76	77
68	69	70	71	72	73	74	75	76	77	78
69	70	71	72	73	74	75	76	77	78	79
70	71	72	73	74	75	76	77	78	79	80
71	72	73	74	75	76	77	78	79	80	81
72	73	74	75	76	77	78	79	80	81	82
73	74	75	76	77	78	79	80	81	82	83
74	75	76	77	78	79	80	81	82	83	84
75	76	77	78	79	80	81	82	83	84	85
76	77	78	79	80	81	82	83	84	85	86
77	78	79	80	81	82	83	84	85	86	87
78	79	80	81	82	83	84	85	86	87	88
79	80	81	82	83	84	85	86	87	88	89
80	81	82	83	84	85	86	87	88	89	90
81	82	83	84	85	86	87	88	89	90	91
82	83	84	85	86	87	88	89	90	91	92
83	84	85	86	87	88	89	90	91	92	93
84	85	86	87	88	89	90	91	92	93	94
85	86	87	88	89	90	91	92	93	94	95
86	87	88	89	90	91	92	93	94	95	96
87	88	89	90	91	92	93	94	95	96	97
88	89	90	91	92	93	94	95	96	97	98
89	90	91	92	93	94	95	96	97	98	99
90	91	92	93	94	95	96	97	98	99	100
91	92	93	94	95	96	97	98	99	100	101
92	93	94	95	96	97	98	99	100	101	102
93	94	95	96	97	98	99	100	101	102	103
94	95	96	97	98	99	100	101	102	103	104
95	96	97	98	99	100	101	102	103	104	105
96	97	98	99	100	101	102	103	104	105	106
97	98	99	100	101	102	103	104	105	106	107
98	99	100	101	102	103	104	105	106	107	108
99	100	101	102	103	104	105	106	107	108	109
100	101	102	103	104	105	106	107	108	109	110
101	102	103	104	105	106	107	108	109	110	111
102	103	104	105	106	107	108	109	110	111	112
103	104	105	106	107	108	109	110	111	112	113
104	105	106	107	108	109	110	111	112	113	114
105	106	107	108	109	110	111	112	113	114	115
106	107	108	109	110	111	112	113	114	115	116
107	108	109	110	111	112	113	114	115	116	117
108	109	110	111	112	113	114	115	116	117	118
109	110	111	112	113	114	115	116	117	118	119
110	111	112	113	114	115	116	117	118	119	120
111	112	113	114	115	116	117	118	119	120	121
112	113	114	115	116	117	118	119	120	121	122
113	114	115	116	117	118	119	120	121	122	123
114	115	116	117	118	119	120	121	122	123	124
115	116	117	118	119	120	121	122	123	124	125
116	117	118	119	120	121	122	123	124	125	126
117	118	119	120	121	122	123	124	125	126	127
118	119	120	121	122	123	124	125	126	127	128
119	120	121	122	123	124	125	126	127	128	129
120	121	122	123	124	125	126	127	128	129	130
121	122	123	124	125	126	127	128	129	130	131
122	123	124	125	126	127	128	129	130	131	132
123	124	125	126	127	128	129	130	131	132	133
124	125	126	127	128	129	130	131	132	133	134
125	126	127	128	129	130	131	132	133	134	135
126	127	128	129	130	131	132	133	134	135	136
127	128	129	130	131	132	133	134	135	136	137
128	129	130	131	132	133	134	135	136	137	138
129	130	131	132	133	134	135	136	137	138	139
130	131	132	133	134	135	136	137	138	139	140
131	132	133	134	135	136	137	138	139	140	141
132	133	134	135	136	137	138	139	140	141	142
133	134	135	136	137	138	139	140	141	142	143
134	135	136	137	138	139	140	141	142	143	144
135	136	137	138	139	140	141	142	143	144	145
136	137	138	139	140	141	142	143	144	145	146
137	138	139	140	141	142	143	144	145	146	147
138	139	140	141	142	143	144	145	146	147	148
139	140	141	142	143	144	145	146	147	148	149
140	141	142	143	144	145	146	147	148	149	150
141	142	143	144	145	146	147	148	149	150	151
142	143	144	145	146	147	148	149	150	151	152
143	144	145	146	147	148	149	150	151	152	153
144	145	146	147	148	149	150	151	152	153	154
145	146	147	148	149	150	151	152	153	154	155
146	147	148	149	150	151	152	153	154	155	156
147	148	149	150	151	152	153	154	155	156	157
148	149	150	151	152	153	154	155	156	157	158
149	150	151	152	153	154	155	156	157	158	159
150	151	152	153	154	155	156	157	158	159	160
151	152	153	154	155	156	157	158	159	160	161
152	153	154	155	156	157	158	159	160		

NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities in terms of dollar volume, updated twice a year.
The Associated Press.

Day High Low Open Close

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52 53 54 55 56 57 58 59 60 61 62 63 64 65 66 67 68 69 70 71 72 73 74 75 76 77 78 79 80 81 82 83 84 85 86 87 88 89 90 91 92 93 94 95 96 97 98 99 100

101 102 103 104 105 106 107 108 109 110 111 112 113 114 115 116 117 118 119 120 121 122 123 124 125 126 127 128 129 130 131 132 133 134 135 136 137 138 139 140 141 142 143 144 145 146 147 148 149 150 151 152 153 154 155 156 157 158 159 160 161 162 163 164 165 166 167 168 169 170 171 172 173 174 175 176 177 178 179 180 181 182 183 184 185 186 187 188 189 190 191 192 193 194 195 196 197 198 199 200

201 202 203 204 205 206 207 208 209 210 211 212 213 214 215 216 217 218 219 220 221 222 223 224 225 226 227 228 229 230 231 232 233 234 235 236 237 238 239 240 241 242 243 244 245 246 247 248 249 250 251 252 253 254 255 256 257 258 259 260 261 262 263 264 265 266 267 268 269 270 271 272 273 274 275 276 277 278 279 280 281 282 283 284 285 286 287 288 289 290 291 292 293 294 295 296 297 298 299 300

301 302 303 304 305 306 307 308 309 310 311 312 313 314 315 316 317 318 319 320 321 322 323 324 325 326 327 328 329 330 331 332 333 334 335 336 337 338 339 340 341 342 343 344 345 346 347 348 349 350 351 352 353 354 355 356 357 358 359 360 361 362 363 364 365 366 367 368 369 370 371 372 373 374 375 376 377 378 379 380 381 382 383 384 385 386 387 388 389 390 391 392 393 394 395 396 397 398 399 400

401 402 403 404 405 406 407 408 409 410 411 412 413 414 415 416 417 418 419 420 421 422 423 424 425 426 427 428 429 430 431 432 433 434 435 436 437 438 439 440 441 442 443 444 445 446 447 448 449 450 451 452 453 454 455 456 457 458 459 460 461 462 463 464 465 466 467 468 469 470 471 472 473 474 475 476 477 478 479 480 481 482 483 484 485 486 487 488 489 490 491 492 493 494 495 496 497 498 499 500

501 502 503 504 505 506 507 508 509 510 511 512 513 514 515 516 517 518 519 520 521 522 523 524 525 526 527 528 529 530 531 532 533 534 535 536 537 538 539 540 541 542 543 544 545 546 547 548 549 550 551 552 553 554 555 556 557 558 559 560 561 562 563 564 565 566 567 568 569 570 571 572 573 574 575 576 577 578 579 580 581 582 583 584 585 586 587 588 589 590 591 592 593 594 595 596 597 598 599 600

601 602 603 604 605 606 607 608 609 610 611 612 613 614 615 616 617 618 619 620 621 622 623 624 625 626 627 628 629 630 631 632 633 634 635 636 637 638 639 640 641 642 643 644 645 646 647 648 649 650 651 652 653 654 655 656 657 658 659 660 661 662 663 664 665 666 667 668 669 670 671 672 673 674 675 676 677 678 679 680 681 682 683 684 685 686 687 688 689 690 691 692 693 694 695 696 697 698 699 700

701 702 703 704 705 706 707 708 709 710 711 712 713 714 715 716 717 718 719 720 721 722 723 724 725 726 727 728 729 730 731 732 733 734 735 736 737 738 739 740 741 742 743 744 745 746 747 748 749 750 751 752 753 754 755 756 757 758 759 760 761 762 763 764 765 766 767 768 769 770 771 772 773 774 775 776 777 778 779 780 781 782 783 784 785 786 787 788 789 790 791 792 793 794 795 796 797 798 799 800

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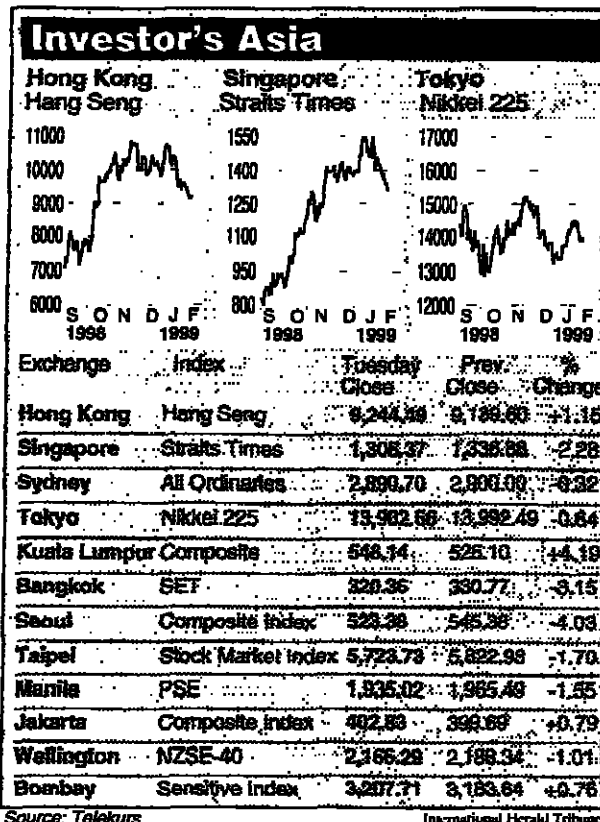
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Malaysia Wins Cheers On Tax Plan

KUALA LUMPUR — Malaysia's central bank made several clarifications to the exit tax it imposed less than a week ago, and stockbrokers and analysts said Tuesday the changes were generally favorable to foreign investors.

The changes effectively make tax-free the profits on foreign funds that are brought into the country before next Monday.

"The stance of these changes is obviously toward making this structure more investor-friendly," said Patrick Tan, an assistant director at ABN-AMRO Asia Equity Research in Kuala Lumpur.

Under rules announced last week, investors who brought money into the country before next week would have had to pay a 10 percent tax if they repatriated their profit after one year, while those who moved their money within a year would not have been taxed on profit.

Malaysia's key stock index fell 8.9 percent in the two days after Finance Minister Daim Zaiduddin announced the exit tax Thursday. On foreign investments made after next Monday, the rate of the exit tax will depend on the time the funds were in the country, with profit withdrawn in less than 12 months to be taxed at a higher rate.

The composite index rose 22.04 points, or 4.2 percent, on Tuesday, a day after Mr. Daim said the government would "spare no effort" in making the rules conducive to outside investment. Also on Tuesday, the central bank, Bank Negara, clarified the determination of the exit tax rate. It said that after next Monday, the start of the 12-month period for determining whether profits are taxed at 30 percent or 10 percent would be the date of investment, not the date the profit was realized.

Malaysia has estimated that it needs as much as 60 billion ringgit (\$15.8 billion) through 2000 to help recapitalize banks and stimulate the economy. (Bloomberg, Reuters)

China's Cutback Surprises Boeing and Airbus

By Seth Faison
New York Times Service

SHANGHAI — China's decision to ask suppliers of commercial aircraft to delay deliveries to the nation's airlines is a blow to Boeing Co. and Airbus Industrie, the world's leading aircraft makers.

After years of breakneck growth that could barely keep up with surging demand, China's airlines are suffering from serious overcapacity. Fare wars and half-empty flights, unknown in China until recently, are now common headaches for China's two dozen airline companies.

As a result, China's official media reported Monday, the authorities are taking several steps to limit growth in airline capacity. With 43 new commercial aircraft scheduled to be delivered this year, about 40 older planes will be sold, leased or taken out of service.

An unspecified number of aircraft scheduled to be delivered in 2000 and 2001 will be delayed, Wang Zhi, a senior official at the Civil Aviation Administration of China, told the China Daily newspaper. Although Mr. Wang

did not say so explicitly, it seems unlikely that any new orders will be made this year.

Executives at Boeing and Airbus, which eagerly compete for business in China, seemed surprised, even skeptical of the announcement. Dong Yuguo, a spokesman for Airbus China, referred to the report as he said, "You could say we're very curious."

Just two years ago, Boeing projected that China would spend \$140 billion on more than 2,000 aircraft by 2014. But now, China's economy is gradually slowing, and the deeply uncertain economic outlook that hangs over Asia makes it impossible to project aviation growth accurately.

Aviation executives often complain that their business, with such enormous price tags on each aircraft, is particularly vulnerable to shifting politics, domestic and international.

For instance, large orders for aircraft are often timed to coincide with visits by American or European leaders. Of the orders for 57 aircraft that Boeing received from China in the past two years, 27 were formally ordered during President Bill Clinton's visit to Beijing last

June. With China's economic growth slowing, officials wrestling with overcapacity in today's airline market are balking at all the orders already made for new aircraft. Planned expansions at Chinese airports are also being scaled back.

Liu Jiongfeng, director of the General Administration of Civil Aviation of China, announced in January that China would cut in half its planned spending on airport renovation, aviation equipment and new aircraft in 1999, to about \$1.5 billion.

China's aviation traffic grew more than 30 percent in 1994 and 1995. In 1996, the growth rate slowed to 12 percent, then to 7.5 percent in 1997 and to 6.3 percent last year, Mr. Wang said. Yet capacity grew faster than that, creating an oversupply of passenger seats.

The 43 passenger aircraft scheduled for delivery this year include 15 Boeing 737s, 3 Boeing 777s, 19 Airbus 320s, a Boeing 747 and 2 Boeing 777s, China Daily reported.

Airlines will try to sell or lease some of their aircraft, Mr. Wang said. They will also rearrange air routes to try to improve passenger loads.

Very briefly:

- Nissan Motor Co. plans to hire just over 150 new graduates in April 2000, down sharply from the 1,197 new graduates due to join the company in April of this year. It will hire a total of 130 university and technical college graduates as engineers in 2000, down from the 278 recruited to start this April.
- Standard & Poor's Corp. lowered its ratings on nine companies, including NEC Corp., Matsushita Electric Industrial Co., Japan Airlines Co., Komatsu Ltd., Mitsubishi Electric Corp. and Mitsubishi Estate Co., citing concern that Asian economic turmoil is taking a toll on trading companies.
- Salomon Smith Barney Inc. filed a federal lawsuit in New York against Ssangyong Business Group seeking \$8.1 million it says it did not receive for work the investment firm did on the sale of three of Ssangyong's units.
- Three senior executives of Guanrong (Holdings) Ltd., a financially troubled China-backed firm based in Hong Kong, resigned after the discovery of accounting irregularities.
- Asahi Glass Co., Japan's largest glassmaker, will eliminate 900 jobs, or 11 percent of its total, by March 2000 to reduce costs.
- Vietnam hopes to sell stakes in 500 state-owned enterprises this year as part of efforts to streamline the sector and quickening the process of "equitization." Hanoi's term for privatization of state firms.

Mitsubishi Chemical to Close 6 Sites

TOKYO — Mitsubishi Chemical Corp., Japan's largest chemical company, said Tuesday it would close six factories and cut its workforce by 18 percent to cut costs and restructure.

The company said it would suspend production at three chemical plants, two coke plants and one computer hard-disk plant starting as early as next month.

Mitsubishi Chemical, which employs 11,000 people, said it planned to cut 2,000 jobs by March 2001 by hiring fewer graduates, encouraging managers as young as 45 to take early retirement and transferring workers to affiliates.

The company said the actions were necessary because of falling demand for its products amid Japan's worst recession since World War II.

"Because ethylene has been in oversupply, we decided to close an old and uncompetitive ethylene plant" in Yokkaichi in western Ja-

pan, a Mitsubishi Chemical executive said.

Mitsubishi will close the ethylene plant and consolidate the operation at two other plants, it said. Ethylene is a petrochemical product used in plastics and other downstream industries.

"The main focus of the restructuring efforts is closing the ethylene plant in Yokkaichi," said Nobuyuki Tsuzuki, a fund manager at Sanwa Asset Management Co.

Other restructuring measures include cutting the pay of executives and managers as of April 1 and reducing spending on research and development.

The company said it would cut such spending to 54 billion yen (\$471.5 million) in the year starting April 1, a reduction of 10 billion yen from its initial budget for the current financial year and 6 billion yen lower than the amount it will actually spend this year.

The actions are expected to re-

South Korea Banks Post Record Losses

Seoul — South Korean banks lost a record 14.48 trillion won (\$12 billion) last year as regulators heightened scrutiny of their operations, the Financial Supervisory Commission said Tuesday.

The figure represents a 370 percent increase from the previous year's loss of 3.88 trillion won, the commission said.

"It was a record net loss," a commission official said, adding that only three of the country's 22 institutions — Hana, Koriama and Shinhan banks — posted profits last year.

The steep increase in losses reflected stricter regulations on provisions for bad loans, an increasing number of corporate failures and a rise in reserves for retirement pay.

Net losses at five major banks — Seoul First, Chong Hui, Hanvit, Korea First and Korea Exchange banks — accounted for 76 percent of the total.

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INTERNATIONAL INVESTING

A Cyberspace Baron With No 'Bubble' Fears

By Geanne Rosenberg
New York Times Service

NEW YORK — As investment pundits warn about an Internet bubble and Bill Gates of Microsoft Corp. wonders where the mania for Internet stocks will end, Michael Egan is quietly keeping his chips on the virtual table.

Mr. Egan, 58, knows something about building companies. He made a fortune by turning around the Alamo rental-car company and selling it to Republic Industries Inc. in 1997 for \$625 million, getting about \$587 million for his stake. Then he started an investment company, Dancing Bear Investments, and looked for promising businesses.

About that time, he said, he was becoming infatuated with cyberspace. "I started doing a lot of business electronically with the airline reservation systems and the Internet," he said. "It was quite apparent that it was going to be the major economic revolution of the world since maybe the printing press or currency."

But Mr. Egan was not about to invest in a company just because it had "dot-com" in its name. He was looking for a startup nobody else had heard of and true grit in the

people in charge. "They had to have a high, high work ethic," he said. "They had to be able to suffer a blow."

Mr. Egan, an alumnus of Cornell University, mentioned to the university's president one day that he was looking for a "media play on the Net." Perhaps, he was told, he should check out a company called TheGlobe.com that a couple of recent graduates, Todd Krizelman and Stephan Paternot, had started while still in college.

TheGlobe.com calls itself an Internet "community" that offers its users entertainment, information and shopping opportunities. Mr. Egan liked the concept and flew to Ithaca, New York, to have lunch with the two men. After five hours of talks, he made it clear he wanted to buy into their venture.

In February 1997, he dispatched Edward Cespedes, a Dancing Bear executive, for follow-up talks. "Ed was told that he couldn't leave the office until the negotiation was done," said Mr. Krizelman, now 25, one year older than his partner. "He lived on our couches in the office and shared meals after meals of Chinese food with us." Six months later, Egan paid \$20 million for a 51 percent stake in the company.

The payoff came Nov. 13. In its first day of trading, the stock of TheGlobe.com rocketed 606 percent, from \$9 to \$63.50, the biggest first-day run-up of any initial public offering. "It was an adrenaline day if there ever was one," Mr. Egan said. His stake of about 6 million shares is now worth \$382 million.

Mr. Egan has made other smart investments, notably a controlling stake in Nantucket Nectars, a Massachusetts-based juice maker, that he sold last year to Ocean Spray Cranberries Inc. for an undisclosed profit. Even for this low-tech venture, his enthusiasm was boundless.

Tom First, one of the founders, recalled a conversation on a private jet. "He starts talking about how the company would be a \$200 million company within five years, while I'm concerned that on our one van in Boston, the shocks were blown out."

Mr. Egan has used some of his wealth to lead the life of a country squire, building a \$12 million mansion in Fort Lauderdale, Florida, for temporary shelter while he renovated his main spread nearby, an assembling Nantucket vacation compound of 15 houses, a dining hall, a movie house and a baseball diamond for a family that includes

five children and three grandchildren.

But his fears after selling Alamo — that he would "dry up and blow away" — proved groundless.

As a young man, Mr. Egan at first pursued a career in tourism. But a "bumbling" job in food service, followed by a low-paying stint in academia, cooled that ambition, and he jumped at the chance to run an old friend's family business.

Sitting in the cluttered office of TheGlobe.com recently, he looked more like an artist than an investor with his snowy white hair, black pullover sweater and black trousers. But he talked like an investor as he dismissed fears about an Internet stock bubble.

"There's a very good reason a lot of capital is pouring into the Internet," he said. "Fifty million or 100 million databases being joined with 3 billion users."

In other recent deals, Mr. Egan bought and sold Autobytel Inc. and bought a majority stake in Inteltravel, a privately held Internet travel company.

He plans to take public his own startup, Certified Vacations, a travel company, at the end of this year. And TheGlobe.com has announced its first acquisition, the expected purchase of



Michael Egan's big media play was bankrolling TheGlobe.com.

Azzaz.com, an Internet retailer.

What drives Mr. Egan? He says he wants to help young entrepreneurs make their way. The other day, he said, he had breakfast with the two founders of Nantucket Nectars, both in their 30s. "You see the enthusiasm for life in their eyes and hear it in their voices," he said. "Maybe I'm trying to recapture my youth."

Monitor Day Trading, NASD Urges Brokers

The Associated Press

WASHINGTON — The head of Wall Street's self-policing group has asked brokerage firms to report any problems arising from day trading.

Frank Zarb, the chairman and chief executive of the National Association of Securities Dealers, which operates the Nasdaq Stock Market, said in a letter to Association members that "investors must be made to understand what they are getting into."

Mr. Zarb noted the "sometimes frenetic" electronic stock trading of recent weeks and the rising number of amateur day traders — who he said "may not be able to absorb the risk" when they are extended credit to trade.

Unless trading firms respond appropriately, Mr. Zarb warned, "we increase investor risk, with some losing savings that they cannot afford to lose."

Day trading has attracted a small but growing breed of investors — estimated to number a few thousand nationwide — many of whom have abandoned their regular jobs for the prospect of quick riches. Day traders seek stocks solely for sharp price swings, buying and selling them quickly to capitalize on the short-term movement in price.

But securities regulators have expressed concern that some day-trading companies, which sell training courses and specialized software and provide computer work space to investors, could be misleading them about potential profits and causing them to get in over their heads. State regulators have stepped up their scrutiny of day-trading firms and a handful, particularly in Massachusetts, have filed fraud charges against them.

The Electronic Traders Association, which represents day-trading companies, said last week it was concerned that people could be getting involved without "a clear understanding of the effort required to become successful and the potential risks."

Suddenly, Analysts Decide U.S. Earnings Won't Be So Bad

By Richard A. Oppel Jr.
New York Times Service

NEW YORK — Now that U.S. fourth-quarter earnings are mostly in the books, it is clear that the worst fears about last summer's emerging-markets panic did not pan out. Indeed, it suddenly seems that many naysaying forecasters are painting a far brighter earnings landscape for 1999.

At Merrill Lynch & Co., economists recently raised their forecast for earnings growth of the companies in the Standard & Poor's 500-stock index to 3.5 percent in 1999, in contrast to a prediction made in mid-December of a 5 percent drop — a

swing of 8.5 percentage points in less than two months.

The change resulted from "continued strength in the economy and less pressure on profit margins, which is the result of continued restructuring," said Gerald Cohen, a senior economist at Merrill Lynch.

The company is far from alone in its optimism. "I'm very bullish on corporate earnings," said Byron Wien, U.S. strategist at Morgan Stanley Dean Witter & Co. "The economy has a lot of momentum, and I'm optimistic earnings are going to exceed expectations."

Among strategists, the average estimate for earnings growth is 4.1 percent for companies in the S&P

500, compared with 0.2 percent in 1998, according to IBES International, a research company. Among industries in the index, the engines appear most likely to be technology, health care and perhaps energy — a huge 1998 loser that many analysts see stabilizing in 1999.

That is good news for investors, especially with the stock market at record levels and valuations. In the absence of lower interest rates, better profits are probably the best catalyst for more market gains.

Some strategists suggest that the factors that hurt earnings in last year's third quarter — the first time in seven years that profits of American corporations had fallen — have

proven short-lived. Edward Kerschner, a PaineWebber Group strategist who says he expects profit growth of 5 percent to 8 percent in 1999, contends that the poor third quarter resulted from several coincidental factors, including the market plunge in August, the General Motors Corp. strike and a steep drop in oil earnings.

Yes, emerging markets still gyrate. But in the case of GM, the company has already stunned industry analysts by suggesting last month that its earnings could top \$10 a share in 1999 if the company met aggressive financial and production targets. And many analysts do not think oil prices can fall much

below their current \$12 level.

Why are analysts optimistic?

In technology, they see continuing strong sales of personal computers, software and semiconductors. Health care, meanwhile, is getting help from continued good results at pharmaceutical companies, which have producing an array of new drugs.

Still, strategists say several sectors could disappoint this year, particularly two that can suffer in periods of slow growth: basic materials and commodity companies and capital-equipment suppliers such as Case Corp., Deere & Co. and Caterpillar Inc. "That's where the real vulnerability is," said Chuck Hill, director of research at First Call in Boston.

Very briefly:

• The heavy metal band Iron Maiden became the latest musical act to hit Wall Street with the closing this week of a \$30 million bond offering backed by future royalties from hits such as "Bring Your Daughter to the Slaughter."

• India's passion for software stocks is running so wild that some speculators are said to have snapped up shares in an underwear manufacturer named Softwear.

• A series of corporate financial fiascos has drawn the attention of U.S. stock-market regulators, who have issued proposals to companies to increase the power and independence of their audit committees.

• Birkert & Fleckenstein AG, a German brokerage specializing in derivatives, plans to sell 312,400 shares next month for funds to invest in its on-line services.

• Michael Lind and Christina Richardson, who managed about \$150 million in assets for the family of the Borders Group Inc. co-founder Louis Borders, have set up a firm, Meritage Advisors LLC, aimed at wealthy investors.

Reuters, AP, Bloomberg

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WORLD ROUNDUP

Dutch Crown Prince Puts IOC on Hold

OLYMPICS Crown Prince Willem Alexander of the Netherlands has suspended his involvement with the International Olympic Committee. The IOC is to meet March 17 and 18 to discuss the allegations. None of the allegations involve the prince, who was elected to the committee during the Winter Olympics last year. He was due to take up his post in June. (AP)

Dominicans Win Series

BASEBALL David Ortiz, a Minnesota Twins rookie, hit a two-run double in the bottom of the 12th inning Monday as the Dominican Republic beat Puerto Rico in a one-game playoff to win its third straight Caribbean Series championship. Wil Cordero hit a tying home run in the ninth for Puerto Rico, and teammate Ferdinand Rodriguez homered in the top of the 12th for a 5-4 lead. (AP)

NBA Fines Rude Barkley

BASKETBALL Charles Barkley, the Houston forward, was fined \$5,000, and Steve Smith of Atlanta and Kendall Gill of New Jersey were fined \$2,500 each by the NBA.

Barkley was fined Monday for "directing obscene language toward fans" as the Rockets' lost to the Lakers on Friday.

Smith and Gill were fined for fighting after the Hawks beat the Nets on Saturday. (AP)

Falcons Receiver Charged

FOOTBALL Eight days after playing in the Super Bowl, Tony Martin, an Atlanta Falcons receiver, was charged in federal court in Miami on Monday with money-laundering and conspiracy stemming from his friendship with Rickey Brownlee, a convicted drug dealer. Martin, 33, is not accused of involvement in Brownlee's drug business. Prosecutors said Martin wrote checks to lease luxury cars and pay legal fees for Brownlee because his lawyers wouldn't take cash. (AP)

Gilding the Rugby Lily

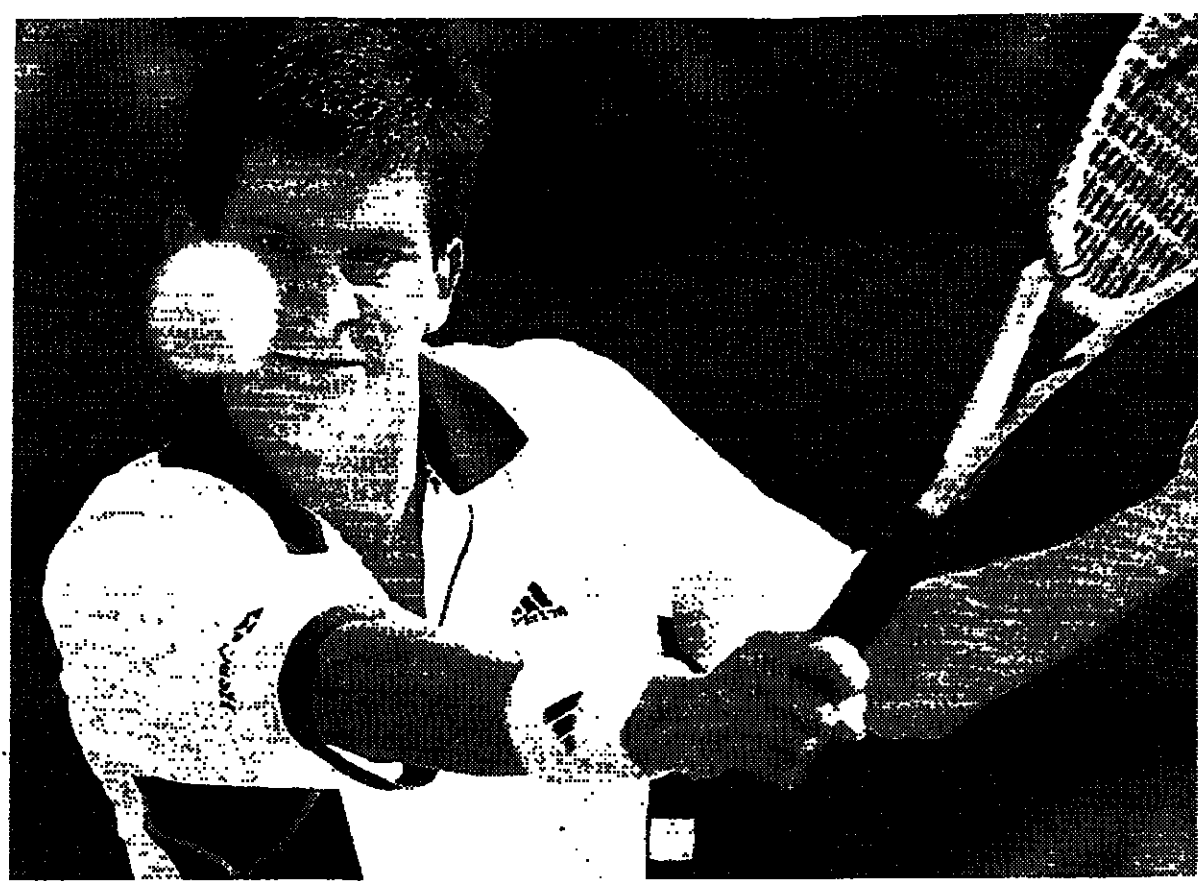
RUGBY UNION South African Rugby authorities denied Tuesday that they had succumbed to political pressure after all four of its entrants in the Super 12 competition picked three nonwhites in their squads. Last year, the teams picked only two nonwhite players between them for the Southern Hemisphere tournament.

The governing African National Congress has denounced the "lily white" makeup of rugby, and talked of introducing racial quotas in team selection.

Rian Oberholzer, South African rugby's chief executive, said he met with the provincial squad coaches and requested, but did not demand, that they include at least three nonwhite players. (Reuters)

Ski Event Frozen Out

BIATHLON It is so cold in Finland that even winter sports have been canceled. The cold spell gripping Finland prevented the start of the world biathlon championships in Kontiolampi for the fourth successive day on Tuesday. In the morning, the temperature was at minus 36 centigrade (minus 33 Fahrenheit) and minus 26 (minus 15) on the shooting range. The competition limit is set at minus 20 (minus 4). (AP, Reuters)



TENNIS IN THE DESERT — Tim Henman of Britain returning a ball from Wayne Black of Zimbabwe on Tuesday in their first-round match at the Dubai Open Tennis Tournament. Henman won, 6-0, 6-4. In other first-round action, Thomas Muster beat Stephane Hue, 6-4, 6-2; Francisco Clavet downed Wayne Ferreira, a former Dubai champion, 3-6, 6-2, 7-6 (13-11), and Nicholas Kiefer beat Nicholas Escude, 6-3, 6-2.

Competing Masters Tug Soccer Players

LONDON — In sports, where time is fleeting, players are torn between two masters. Make that three.

There is the call a country has on its finest. There is the demand that clubs, which pay over a few peak seasons the wealth that must ease these performers through middle to old age. There is the need, sometimes, for players also to be family men.

Put yourselves into the uniforms of the de Boer twins and half a dozen other Dutch players. On Wednesday they play in the orange shirts of their homeland. On Sunday, because those same individuals form a colony within the Barcelona team, they change to red and blue.

The pressure is on. Frank Rijkaard, the Dutch coach, offers no soft option. Anyone he picks must give his all, even in a friendly international, or he will not be chosen again. Rijkaard knows the tug of war between club and country because not many moons ago he was paid millions by AC Milan and at the same time was crucial to the Dutch national team.

Player-turned-coach bears no forgiveness. Preparing the Dutch for the European Championship of 2000 is his priority, and he will not tolerate countrymen who do not share that goal. He knows, even if he chooses to ignore, that eight Barcelona employees in his squad — indeed a ninth player, Clarence Seedorf, who belongs to Real Madrid — have a massive duty on Sunday when Barcelona meets Real Madrid at Camp Nou.

That, indeed, is a quasi-international contest of its own. Barcelona is Catalonia, Madrid is Spain, and the annual quest for supremacy is exaggerated by the fact that this is Barca's centenary. Nothing is more important to the Catalan than the team beating Madrid and then bringing home the championship.

The atmosphere around Camp Nou is festive. They don't approve of Louis van Gaal, the Dutch trainer, bringing in so many Dutch players to the exclusion of Catalans or even Spaniards. The polls showed before Christmas that 95 per cent of Barcelona's 120,000-plus club members wanted van Gaal out. The white handkerchiefs waved unmercifully, and still flutter even though Barcelona has won its last seven league games.

Forget van Gaal, say the fans, the team is winning because Josep Guardiola, the one individual whom Catalans can really call their own, is back. He was a ball boy at Camp Nou 13 years ago, he has battled through 320 days of injury, and now he is not only the catalyst but effectively the coach on the field.

Vantage Point/ROB HUGHES

Fact or fantasy, the match Sunday is pivotal to the season. Barcelona leads the league by three points, but Real Madrid is in the pack bearing down on it. Madrid can keep its UEFA Champions League and World Cup silverware but must not be allowed to stop Barcelona from winning the league this centennial year.

So how do the players cope? How do Frank and Ron de Boer, Michael Reiziger, Boudewijn Zenden and the rest give everything to their homeland on Wednesday and on Sunday summon even more for the land where they are mercenaries?

One match at a time is the cliché. Even that is compromised. When the Barcelona Dutchmen play against Portugal, they will have to stop Luis Figo. He is a mainstay of Portuguese hopes and a Barcelona hero. Goalkeeper Vitor Baia is a veteran Portuguese stalwart and reserve to another Dutchman, Ruud Hesp, at Camp Nou.

It gets more complicated. Seedorf is a Dutchman on Wednesday, and an opponent in Real Madrid white on Sunday. Heaven help him or spare the insinuations should Seedorf collide with Figo, resulting in the Portugal star's missing the big game at Camp Nou.

Curioser and curiouser is the encounter on Wednesday. It is a Portuguese "home" match, but, rather than the Stadium of Light or any of the big stadiums in Portugal, the Portuguese soccer authorities chose to play this prestige match against the world's third best team in Paris — at Parc des Princes.

Why? Because there are reputedly 1 million Portuguese living in or around the French capital, and the Portuguese soccer body likes to reward its overseas fans.

Nevertheless, Wednesday in Paris is a strange time and place for the meeting. Not just because Portugal is a candidate to host the 2004 European Championships and is sacrificing an opportunity to show how it stages big events. Not just because the Dutch and a few of the Portuguese players have Sunday on their minds. But because Wednesday is also the date on which Les Bleus, the French World Cup winners, play a significant match of their own — against England.

Soccer has overtaken as much to the French as it does now. The squad has remained unbeaten since that fantastic night in July when it trounced Brazil in

the final of the World Cup.

And now France is attempting another first, to win where it has never won, against the English at Wembley Stadium. England, too, will be highly motivated because one week ago its coach, Glenn Hoddle, became the 23rd of 32 World Cup managers from last summer who no longer has the job. England's new coach, Howard Wilkinson, has made a logical decision to select on bloc almost the entire Arsenal defense.

It makes sense because Arsenal is the best defense in Britain. However, two reasons for that are Emmanuel Petit and Patrick Vieira, who guard the defense tenaciously from midfield. They, and swift attacker Nicolas Anelka, are among the French legion playing in London.

So at Parc des Princes, and at Wembley, club and country divide teammates for a night of intriguing, possibly confusing sports.

Rob Hughes is chief sports correspondent for The Times of London.

Atletico Madrid Faces Penalty

Madrid city officials started proceedings against Atletico Madrid on Tuesday after fans brandished flags with the Nazi swastika on the terraces of the club's Vicente Calderon stadium. Agence France-Presse reported from Madrid.

The Spanish press published photos earlier this month of Atletico supporters waving flags and scarves with the Nazi swastika and the iron cross.

Under Spanish law, clubs face fines of up to \$339,000 for allowing supporters into club grounds with any item that could be seen to "incite violence, racism and xenophobia."

SCOREBOARD

BASKETBALL

NBA STANDINGS

EASTERN CONFERENCE		CENTRAL DIVISION	
W	L	W	L
Philadelphia	21	0	1,000
Orlando	2	1	667
New Jersey	1	2	500
Boston	1	2	467
Miami	1	2	333
Washington	1	2	333
New York	0	2	000

WESTERN CONFERENCE

W	L	Pct	GB
San Antonio	19	12	24-48
Los Angeles	17	12	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48
San Antonio	18	11	24-48

U.S. COLLEGE SCORES

MONDAY RESULTS

TOP 25

WOMEN

THE AP WOMEN'S TOP 25

TOP 25 teams in Associated Press' women's college basketball poll, with 16-point margin in parentheses, records to Feb. 7, total points and and previous rankings.

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2 Ex-Officials Blamed In Salt Lake Report

Olympics Panel Identifies Hidden Payments

The Associated Press
SALT LAKE CITY, Utah — The top two officials of Salt Lake City's Olympic bid were condemned Tuesday by an internal ethics investigation into the biggest corruption scandal in the history of the games.

The report concentrated on the actions of Tom Welch, who directed the successful bid for the 2002 Winter Olympics, and Dave Johnson, his top lieutenant.

The report also identified Craig Peterson as a central player. Peterson handled finances for the bid committee after he joined in 1990 and continued in that job after the city won its bid and formed the Salt Lake Organizing Committee.

Johnson, who had become senior vice president of the organizing committee, resigned under pressure last month. At the same time, the committee stripped Welch of the \$500,000 pension and \$10,000-a-month consulting contract he was given when he resigned as president in mid-1997 amid a spousal abuse charge.

The report, more than 300 pages long, primarily targeted Welch and Johnson, accusing them of hidden payments and deceptive practices that kept other members of the committee from knowing what was going on. Welch and Johnson have denied wrongdoing.

Peterson has refused to discuss his role in the bid committee, in part because he signed a contract that demanded his silence about Olympic matters when he left the committee in 1996.

The report Tuesday quoted witnesses as saying that Nagano, Japan, had beaten Salt Lake for the 1998 Games with a "more sophisticated and extravagant" effort, giving IOC members video cameras while Salt Lake was giving away disposable cameras before the 1991 vote.

It also said that "the behavior of some IOC members was eye-opening as well." Welch was approached by two representatives of unidentified IOC members asking for cash in exchange for votes, it said. The report said Welch turned down those offers.

A lawyer for the Salt Lake City committee, Beth Wilkinson, said no evidence of criminal conduct was found. "This is an ethical dilemma," she said, "and we did find several instances in which individuals stepped over the line."

The ethics panel found that Jean Claude Ganga, the IOC member from Republic of Congo who has been suspended by the IOC, and members of his family received more than \$250,000 in medical care, travel and lodging and other gifts and expenses from the bid committee and the Salt Lake City committee.

In summarizing the report, Robert Graff, chairman of the Salt Lake Organizing Committee, said Johnson and Welch made unauthorized payments to International Olympic Committee members and their relatives and made a concerted effort to cover their actions from the bid committee's board.

Nobody disputed that the mission of the bid committee was to secure IOC votes, Graff said, but "what was not part of the plan was Mr. Welch and Mr.

Johnson's direct payments to IOC members."

Graff said large disbursements of cash and scholarship funds lacked documentation. He said that while the bid board could have provided better oversight, the ethics panel did not fault its members for the excesses of Welch and Johnson.

"We know what happened here wasn't right, and we are setting it right," Utah's governor, Mike Leavitt, said just before the report was released.

"Olympic corruption did not start here," he said, "but it must end here."

Earlier, Leavitt said the report by the committee's ethics panel should not be looked at as complete, since the panel did not have subpoena powers and some people refused to be interviewed. The board spent much of its time examining documents.

The ethics panel probe is one of five investigations into the payments of cash and freebies to IOC members.

Unlike the IOC commission report last month, which focused on international committee members, the report by the Salt Lake City panel concerned the role that Utah Olympic boosters played in seeking the 2002 Winter Games.

The IOC investigation said \$800,000 in cash payments, scholarships, medical and travel expenses was paid to 14 IOC members. So far, nine have been expelled or have resigned.

In Japan, meanwhile, officials said Tuesday that found no wrongdoing in Nagano's winning bid for the 1998 Winter Games.

Nagano's governor, Goro Yoshimura, told Kyodo News service that the investigation showed that the bidders' treatment of IOC members was "within the scope of common sense."

Welch last week said that Leavitt and others knew what was going on. But Leavitt and the others have denied knowledge of details of the gift plan.

Leavitt said last week that he had met about 50 IOC members and their families, posed for photographs and gave obligatory gifts of diplomacy, but, "I did not ever personally see a gift of great value. I was doing everything I could to be charming. I was doing my diplomatic duty as the governor."

He said he did not know that the international students he met were sons and daughters of IOC members, some supported by bid money.

Frank Joklik, the volunteer chairman of the bid committee who later became president of the organizing committee and resigned on Jan. 8, said he and other business leaders on the bid board had been screened from the details and that he was dismayed to learn about the excessive spending.

The New York Times reported last week that it obtained copies of letters written by Joklik and another bid committee member, James Beardsall, seeking a forestry job for the husband of a Finnish member of the IOC. The letters were sent in 1993.

Besides the investigations by the Salt Lake ethics panel, the IOC and the U.S. Olympic Committee, the Justice Department is looking into violations of federal law, and Utah's attorney general, Jan Graham — who also was on the bid committee — is examining potential violations of state laws.

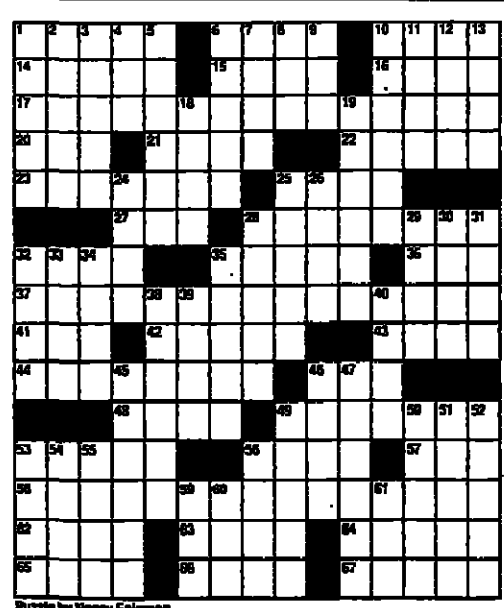
CROSSWORD

ACROSS

- Fast runners
- "There"
- Out of marble
- Rep
- Paradise
- Paradise's opposite
- "I can't use my Q..." (1959)
- King
- Puts two and two together
- Child
- Plea of a player drawing KILL-O (1952, 1964 and 1990)
- "There"
- Jerk

DOWN

- Sets upon
- Not hobnobbed
- Kidney-related
- Letter
- accompanier: Abbr.
- Does a slow burn
- Bear that lads bear
- Hornets' nests
- Site of iniquity
- Picnic cracker
- Plugs a golf shot
- Dolly
- Actor Guinness
- Off-color



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See our
Friendships
every Saturday
in The Intermarket

Solution to Puzzle of Feb. 9

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SPORTS

Hill Piles Up 46 Points As Pistons Make It 3-0

Three games into the season, Kobe Bryant is playing like the league's next superstar. Bryant isn't alone, though, and his chief rival, Grant Hill, put up a Jordanesque point total Monday night while also keeping the Detroit Pistons unbeaten.

Hill scored a career-high 46 points, including two crucial free throws after a highly charitable foul call, as the Pistons improved to 3-0 by beating the Washington Wizards, 106-103.

Bryant had 19 points and 10 rebounds for the Los Angeles Lakers as they beat the San Antonio Spurs, 80-75.

Hill also had seven assists, seven rebounds, two steals and two blocked shots, including a rejection of Tim Lincecum from behind the three-point line on the game's final play.

But the game turned on two free throws by Hill after a questionable foul call on Juwan Howard with 13 seconds remaining.

A lay-up by Rod Strickland gave Washington a 103-102 lead with 14 seconds left. On the Pistons' next possession, Hill fell out of bounds, and Howard was called for a foul.

Howard threw up his hands in disbelief. "I went out there and just tried to do my job," he said.

"He was totally off balance, fell out of bounds, and the foul was called. I felt I played good defense on him."

Television replays seemed to confirm Howard's version. Hill sank both shots for a 104-103 lead.

Jerry Stackhouse scored 29 points for the Pistons. He and Hill were the only Detroit players in double figures.

Lakers 80, Spurs 75 In San Antonio, Shaquille O'Neal had 26 points and 13 rebounds and helped hold David Robinson to 11 points as Los Angeles handed the Spurs their first loss of the season.

After seeing that San Antonio was picked ahead of the Lakers in some preseason publications, O'Neal voiced his displeasure toward Robinson while also calling Tim Duncan "too light."

"I'm known for backing up what I say, and you all know I come out to play every night," O'Neal said. "We realized that they were going to come out strong after reading my statement. I do that on purpose to get pumped up."

Rockets 90, Nuggets 80 Scottie Pippen had 24 points and 13 rebounds in his home debut and Charles Barkley continued his fast start for Houston with 15 points and 19 rebounds.

Houston's threesome of Barkley, Hakeem Olajuwon and Pippen shot a collective 74 percent from the field in a take-charge first half that ended with Houston ahead by 22.

Hornets 94, Heat 81 In Charlotte, J.R. Reid made several key plays in the final 72 seconds, David Wesley had 18 points and 12 assists and Chuck Person and Bobby Phillips had 16 points apiece for the Hornets, who came back from a 15-point, third-quarter deficit.

Miami was without its leading scorer.

NBA Draws Large Audiences For Lockout-Delayed Tip Off

NEW YORK — The National Basketball Association appeared to be in trouble when Michael Jordan retired after the season started three months late. But attendance was strong, and ratings actually improved on the season's first weekend.

Overnight ratings for the Sunday afternoon doubleheader on NBC, the U.S. television network, were 5.8 — up from the network's first telecast in 1998, which posted a 5.7 rating.

Turner Sports enjoyed similar success with its two games Friday night on TNT, its U.S. cable television station.

The first game, New York Knicks at Orlando Magic, posted a 2.5 national rating, while the Houston Rockets-Los Angeles Lakers matchup received a 3.1 for an overall average of 2.8.

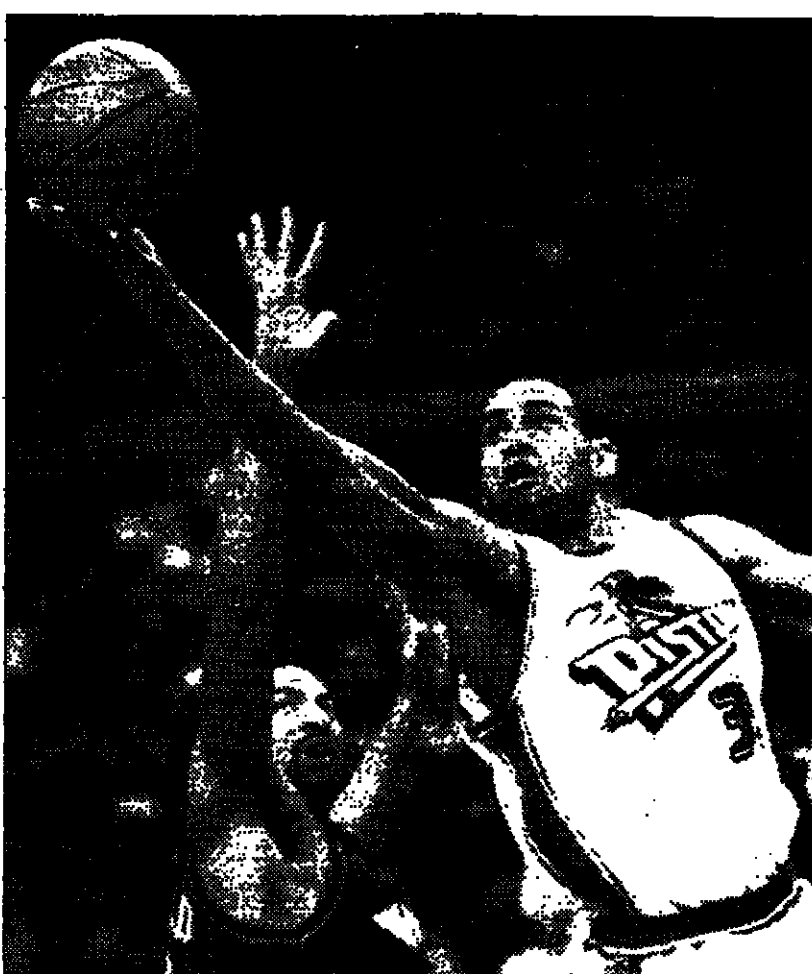
That was a 65 percent jump from Turner's average last season.

"People were predicting some dire results for NBA ratings," said Kevin O'Malley, Turner's senior vice president of programming. "It's hard to predict going forward, but this is definitely a great start for us."

At NBC, there was encouragement and caution. "It's a good start, but everybody here and in the NBA knows that it's just that — a start," said Ed Markey, a network spokesman. "We know we still have a lot of work to do to regain the fans and keep the interest."

"Fans were itching to see the NBA," Markey added. "They had a curiosity to see different players on new teams, and there are more teams whose fans feel they have a legitimate shot at a championship."

An average of 17,192 fans attended the NBA's 12 games Friday night, roughly 700 fewer per arena than last season.



Grant Hill, 33, beating Juwan Howard of Washington to score a basket.

Jamal Mashburn, who sat out to rest a deep thigh bruise.

Magic 107, Celtics 90 In Orlando, Penny Hardaway had 28 points, eight rebounds and six assists in perhaps his strongest all-around performance since knee and calf injuries forced him out of the lineup for 63 games last season.

"That's the best I've seen Penny play in two years," said Chuck Daly, the Orlando coach.

scored 28 points, Chris Mullin had 22 and the two made big threes in the second half as Indiana spoiled Cleveland's home opener. Miller took control of the game after halftime by scoring 10 points in the third and 10 in the fourth.

Trail Blazers 95, Grizzlies 76 Arvydas Sabonis scored 10 of his 24 points in a lopsided third quarter as Portland spoiled Vancouver's home opener.

Jim Jackson added 17 points for the Trail Blazers.

Sharks' Goalie Too Sharp for Coyotes

PHOENIX — The harder the Phoenix Coyotes played, the more San Jose's goalie, Mike Vernon, frustrated them.

Vernon was at his best in the third period Monday night, when he had 12

San Jose ended Phoenix's five-game unbeaten streak and moved four points ahead of the idle Kings in the developing race for the eighth Western Conference playoff spot.

Flames 2, Oilers 1 In Calgary, the Flames ended a four-game winless streak as Phil Housley and Theoren Fleury scored first-period goals and Fred Brathwaite made 35 saves.

Doug Weight scored his first goal of the season for Edmonton, which outshot the Flames, 36-26, but lost for just the third time in its last 10 games.

Blues 5, Panthers 4 Pavel Demitra scored twice, including the go-ahead goal in the third period, as St. Louis came from behind in the third period to

win in Florida. Pierre Turgeon added his 17th goal and two assists for the Blues.

■ Panthers Sign Bure for 5 Years

The Panthers signed Pavel Bure to a five-year contract extension with an option for a sixth year. The Associated Press reported from Sunrise, Florida.

Bure, 27, a high-scoring Russian winger, will remain under contract through at least the 2003-04 season. Financial terms were not disclosed, but sources put the deal at \$47.5 million over five years with an option year at \$10.5 million.

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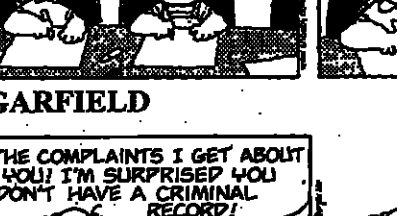
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DENNIS THE MENACE



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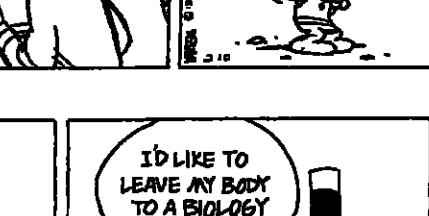
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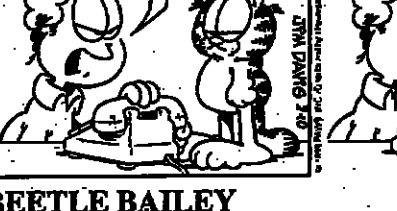
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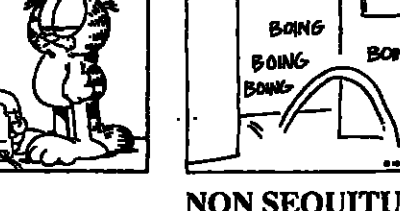
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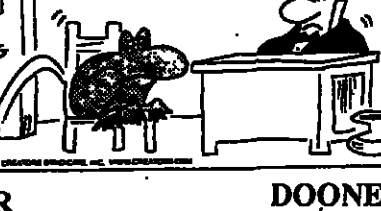
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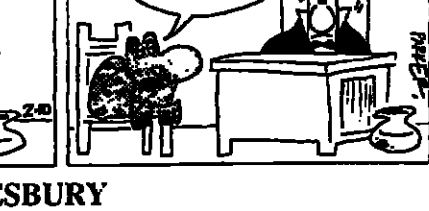
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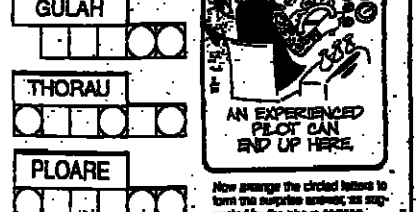
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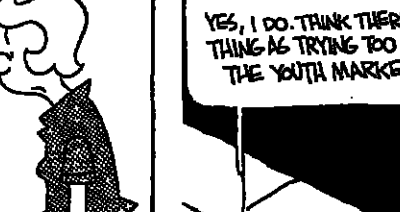
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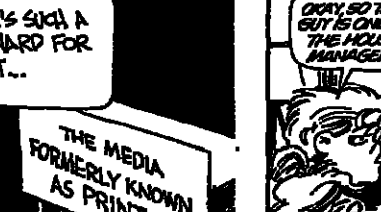
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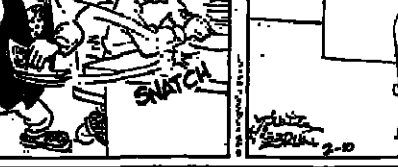
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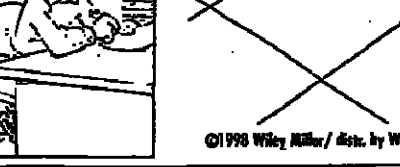
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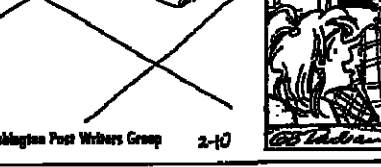
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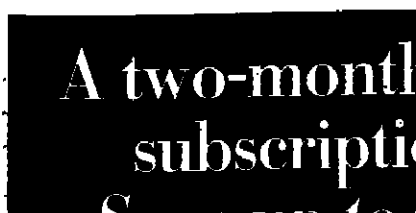
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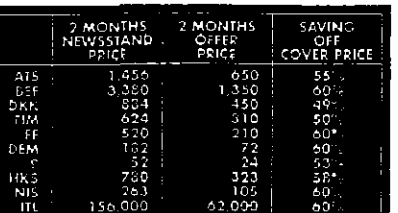
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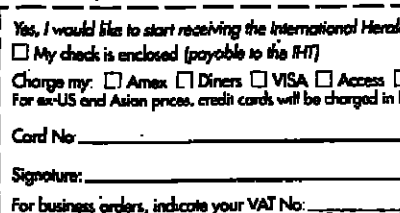
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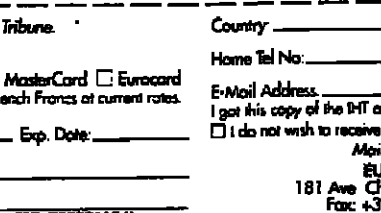
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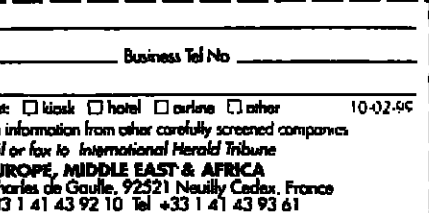
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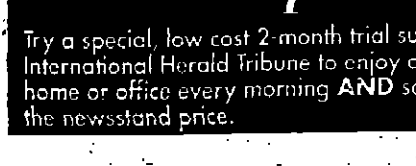
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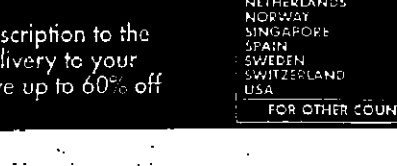
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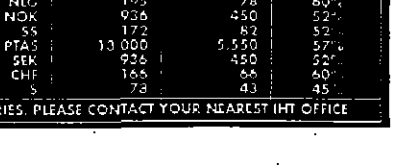
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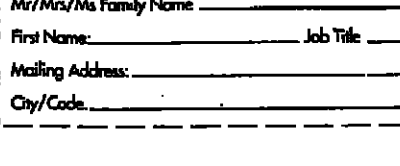
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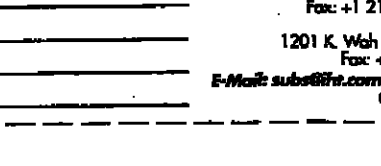
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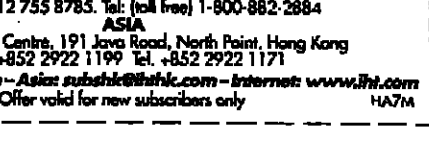
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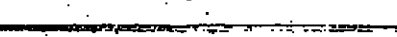
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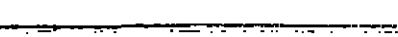
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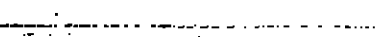
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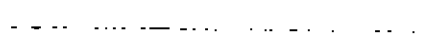
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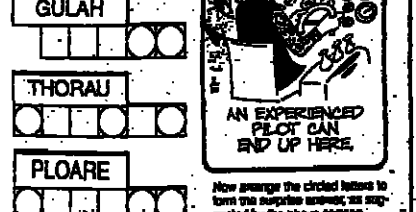
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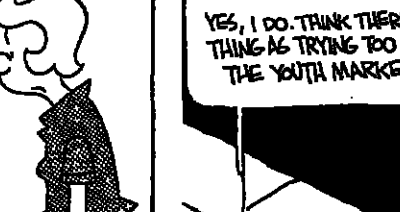
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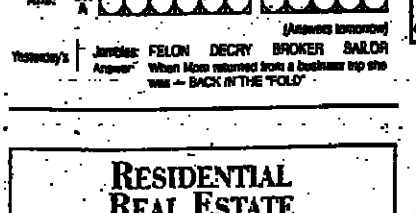
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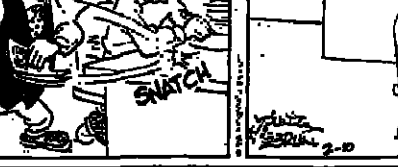
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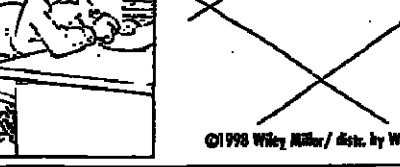
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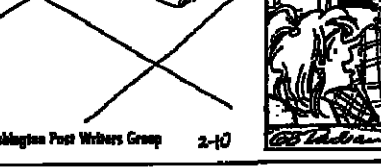
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Marketing George

The celebration will be capped by a televised 18th-century state funeral on Dec. 18. "We're going to try to make it feel like the Diana funeral," said Melissa Groppe, manager of special events, who is handling the hand-crafted coffin and costumed cortege.

Willy the failed salesman and willful sui-



determines the exterior of your personality." He remained convinced, he once stated, that all serious plays ultimately ad-

Indeed, his plays attest to his own belief that works of art can "change the consciousness of people and their estimate of who they are and what they stand for."

PHOTO OP—Kevin Costner and Robin Wright Penn at the Los Angeles premiere of their movie "Message in a Bottle." Paul Newman also stars.

The cartoonist **Charles Schulz** said he wasn't prepared for a multi-ethnic Broadway revival of "You're a Good Man, Charlie Brown," but was willing to give it a shot. The play includes a piano-playing Schroeder who is black and an Asian Linus, still trailing his blanket. Schulz told the *Press Democrat* of Santa Rosa, California, in an interview published Sunday, that he was not racist — he was only concerned about others tinkering with the "Peanuts" gang he still

Rod Stewart is hoping for a reconciliation with his wife of eight years, Rachel Hunter. But "it's all too early to tell," he said in USA Today on Monday. "I'm not holding my breath. I'm moving on with my life, and she is moving on with hers. We'll see what happens." The couple, who have two children aged 4 and 6, separated in January.

In the best-actress category, Gwyneth Paltrow was nominated for her role in "Shakespeare In Love," Fernanda Montenegro for "Central Station," Cate Blanchett for "Elizabeth," Meryl Streep for "One True Thing" and Emily Watson for "Hilary and Jackie." Tom Hanks, who has already won two best-actor Oscars, was nominated for his role in "Ryan." He was joined by Ian McKellen for "Gods and Monsters," Benigni for "Life Is Beautiful," Nick Nolte for "Affliction" and Edward Norton for "American History X."

Kathy Bates was nominated for best supporting actress for her role in "Primary Colors." Brenda Blethyn for "Little Voice." Judi Dench for "Shakespeare in Love." Rachel Griffiths for "Hilary and Jackie" and Lynn Redgrave for "Gods and Monsters." Nominated for best supporting actor were James Coburn for "Affliction," Robert Duvall for "A Civil Action," Ed Harris for "The Truman Show," Geoffrey Rush for "Shakespeare in Love" and Billy Bob Thornton for "A Simple Plan."

The Oscars will be awarded March 21.



(kick off your shoes)

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